



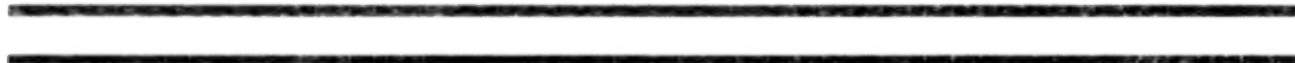
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CENTRAL EURASIA



FBIS Report: Central Eurasia

FBIS-USR-92-161

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Coup Plotter's Apr 1991 Documents Cited

934C0516A Moscow ARGUMENTY I FAKTY
in Russian No 48, Dec 92 p 2

[Article by A. Binev: "In the Language of the Documents—the April Theses for the August Putsch"]

[Text] It appears that the case charging members of the GKChP [State Committee for the State of the Emergency] with a coup d'état attempt will be brought to trial at the end of this week. In any event, criminal information has been turned over to the procurator general of the Russian Federation for confirmation.

On Sunday's "Itogi" program, A. Frolov, an official of the Procuracy General of the Russian Federation, said that A. Tizyakov, who is being tried in the case, prepared a number of edicts and decrees in which the fate of the people of the USSR was being decided long before the attempted coup. In addition, he set down in his notebooks his own vision of the future state.

Here is brief information about the author of the "drafts": Aleksandr Ivanovich Tizyakov, born 1926, Russian. Metallurgical engineer, candidate of economic sciences, a participant of the Great Patriotic War, president of the Association of State Enterprises, Industrial Installations, Construction, and Communications of the USSR. He worked in managerial positions of the military-industrial complex, member of the CPSU. The author of the statement: "The very best democracy is when I have the power..."

From A. Tizyakov's notebooks (the entries were made during the April 1991 CPSU Central Committee Plenum): Organize telegrams 22-23.04 with a requirement for the CPSU Central Committee to introduce proper order in the economy of the USSR, publish all telegrams as evidence of the people's support of CPSU actions; there must be demands in the telegrams for political stabilization through the suspension of activity at all levels of soviets and deputies, the introduction of proper order in the work of the mass media; guard the Soviet people from the orgy of crime and an outburst of democracy; the VKU (Provisional Ruling Committee—a prototype of the GKChP—Ed.) assumes total power—political, economic, defense, and international relations; it is necessary to act unobtrusively, but firmly, and it is necessary to ask the CPSU to bring order to the country and to turn to it as the only political force that is able to resolve this task; the VKU will form a new government of the USSR—there is a paragraph in the decree of the plenum: "Make it incumbent on Communists Yazov, Kryuchkov, Pugo, and named chiefs of political administrations to guarantee the protection of the people, and to execute all VKU decisions; there has not been a better time since 1985 for the CPSU to restore its former glory; it is necessary that the principal demands be raised at meetings for the resignation of the secretary general and the introduction of order with the declaration of a state of emergency; it is necessary to play on all of the difficulties on the food and consumer commodity market, in the economy, especially the harvesting of crops, and to blame this on the democrats and unqualified soviets at all levels with their show programs..."

Further there are drafts of edicts of the president of the USSR (the very same author), in effect, broadened and "detailed" theses from the notebooks. Therefore, we will quote only certain excerpts:

"1. Introduce the death sentence in the USSR for those guilty of the premeditated murder of citizens.

"2. For Minister of Defense Comrade D.T. Yazov,

"For KGB Chairman V.A. Kryuchkov

"Intensify patrolling of the streets of cities and other population centers by means of units of the Soviet Army and subunits of the KGB.

"3. Authorize the commanders of patrols of the Ministry of Defense and the KGB to execute on the spot, without a trial and investigation, criminals who are caught red handed: thefts from citizens' apartments and homes, robbery of citizens on the streets, and rape, subsequently drawing up an act signed by all members of the patrol, and, if there are victims, about the execution of the guilty parties.

"4. ...Ban unorganized trade in items, industrial commodities, and food products on streets and city squares and in other population centers."

Further, there follow directives on the establishment of armed workers detachments, militia worker detachments, and also concerning privileges for them.

Tizyakov was the author of the draft and decision of the joint conference of the CPSU Central Committee, the USSR Cabinet of Ministers, the Ministry of Defense, the KGB, the MVD [Ministry of Internal Affairs], his own association, and the Peasant Union of the USSR. A place is left open in the document for writing the day and month, and further text follows after the word RESOLVED from which it is clear: "For the period of stabilization in the USSR," the VKU will be formed, on which all the represented departments will have "two persons each," but there will be "three members" from the CPSU Central Committee. All of the edicts of this organ (legislative and executive) "execute the functions of the laws of the USSR." The VKU was supposed to be housed in the building of the USSR Supreme Soviet in the Kremlin. It was supposed to be signed from the CPSU Central Committee by M. Gorbachev, and from the rest of the departments, respectively, by all future members of the GKChP—V. Pavlov, D. Yazov, V. Kryuchkov, B. Pugo, A. Tizyakov, and V. Starodubtsev.

In the next draft of the edict, Tizyakov planned to declare a state of emergency on the territory of the country, including the Union republics, where only the laws of the USSR were supposed to be in effect, to dissolve all Supreme Soviets, including the Union Supreme Soviet, to deprive deputies at all levels of the status of people's deputy, to subordinate the president completely to the VKU, to confirm once again the old administrative system of subordination and centralization of authority, to declare a curfew in individual rayons (at the discretion of Yazov, Kryuchkov, and Pugo). And, finally, paragraph No. 15 of the draft edict, which we must quote: "The activity of all parties in the USSR, except for the CPSU, are banned and all parties are dissolved."

According to A. Frolov's words, there are no less than a hundred such documents. As is well-known, the system for seizing power and usurping it that was developed by Tizyakov and the other putschists was carried out in August of that very year.

Archbishop of Tashkent, Central Asia on 'Danger' of Missionary Work Among Muslims

93US0192A Moscow NEZAVISIMAYA GAZETA
in Russian 2 Dec 92 p 3

[Interview with Father Vladimir, Archbishop of Tashkent and Central Asia (Moscow Patriarchate), by Nadira Artykova; place and date not given: "God Is Everywhere Equally"]

[Text] Father Vladimir is 52 years old. He was born and raised in Moldova. In 1965 he became a monk at the Turetsko-Serghiyeve Lavra. He has been in his present church position since 1990.

[Artykova] The Congress of Clergymen from the Russian Orthodox Church of Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan is now over. What issues were examined and considered at this congress?

[Vladimir] One of the issues raised concerned the spiritual and moral life of clergymen and parishes in the Tashkent and Central Asian eparchates. A decision was adopted to create a Commission on Education in each republic. In Kyrgyzstan priests are already being invited into the schools in order to teach God's Law. I addressed this question to the president of Uzbekistan, and he did not express any opposition to introducing such an innovation in his republic. The problem lies in the lack of special training among the clergymen themselves. At the same time, however, we cannot allow this matter to fall into the hands of the schoolteachers, in whom the spirit of atheism still lives. The Commissions on Education must—in conjunction with the ministries of education in each state—draw up a program for instruction in God's Law.

[Artykova] With the end of the era of "militant atheism," more than 15,000 Orthodox churches were returned throughout the entire former Union. Could you tell us how churches have been returned in Uzbekistan and in Central Asia as a whole?

[Vladimir] Prior to 1986 there were only 26 houses of prayer in Uzbekistan, whereas before the revolution there were more than 100. Two cathedrals were returned to us in which militant units used to be located: One is in Samarkand, while the other one is in Termez. Whereas prior to 1917 there were 18 splendid, beautiful churches operating in Tashkent, nowadays there are more houses of prayer. The capital of Uzbekistan has four churches and the St. Nikolay Convent. I have sent a written request to the president and to the Committee on Religious Affairs concerning the return of the rest of the churches. There are approximately 80 active parishes throughout all Central Asia, but only 67 of them have priests. We need to solve the problem of personnel as a result of the work done by the Soviet regime with regard to drawing individuals away from the Church. Our eparchate has organized a seminary

in which 40 youths, 17 and 18 years of age are enrolled. But not all of them will subsequently become priests.

[Artykova] What is the spiritual and moral situation at present among the Orthodox believers in Uzbekistan?

[Vladimir] If we proceed on the basis of the number of the Russian-language population here,—1.5 million—then 700,000 or 800,000 of them are Orthodox. More and more persons are becoming parish members. On Sundays the houses of prayer are filled to overflowing. But not everything is so simple. The new freedom has a reverse side also. The missionaries of various sects with new interpretations of Christianity are arriving in Central Asia from abroad, most frequently from America. It is becoming more and more difficult for our priests to hold the parishioners in the needed direction. Baptists, Pentecostals, the Saturday people, and the Adventists are dangerous, in that they carry out their missionary work not only among the Orthodox, but also among the Muslims. Since they have hard currency, they attract people by playing upon their material interest. On this "soil," conflict is possible between the Orthodox and the Muslims. Thus, in the spring of this year in Kyrgyzstan about 1,500 Muslims joined the Mormon sect, and a war almost began over this. Because wherever the Mormons or the Adventists are, nobody knows whether or not an aroused mob will march on the Orthodox churches. A certain correspondent from the Canadian Quakers who was at a reception of mine expressed interest in the following question: "Why is missionary activity banned in Uzbekistan?" (This point was included in the "Law on Freedom of Conscience in the Republic of Uzbekistan," as adopted this year). I fully agree with this ban, and so does the mufti.

[Artykova] What is your attitude toward the problem of your parishioners migrating from Central Asia?

[Vladimir] I do not bless their departure. God is everywhere equally. There are nationalists in any nation, and their isolated cries of "Get yourself to Russia!" are in no way an indicator of the mood in society.

[Artykova] What is the situation of Russian believers in Tajikistan? Is any help being rendered to them?

[Vladimir] Two of our churches in Tajikistan were located in the combat zone, and the priests had to leave for Dushanbe. Two others—in Khudzhand and Dushanbe—continue to operate. Fewer persons have been going to the church in the capital: People are simply afraid to go out onto the street. The Church's primary obligation is to pray that the Lord will restore peace to this republic.

[Artykova] What kind of relations have evolved between yourself and the Muslim church?

[Vladimir] The very best. The mufti and I often meet, and we visit each other. We solve many problems together. During the time when we proceed around the churches I often drop in to mosques, where I visit and chat with my Muslim brothers.

Crop Production Potential Underrated

934A0445A Moscow PRAVDA in Russian
3 Dec 92 pp 1-2

[Article by Andrey Sidelnikov, adviser to vice president of Russia: "Phrase-mongers Sow On Asphalt"]

[Text] On those occasions when a combine engaged in harvesting low quality grain or a snow-covered plantation of cabbage appears on a television screen, or a farmer desiring to "feed the country" begins his monologue despite being hampered by kolkhoz chairmen, I wish to turn off the television set. Because I know that at the present time they are beginning to blame the kolkhozes and sovkhoses and to heap upon them all of the guilt for the failures in agriculture. They strive to convince us that we would have been satisfied long ago if the land had been sold or turned over to the farmers.

But is it really only television and radio commentators who are not informed regarding agriculture, or merely irresponsible publishers and journalists who are today mercilessly inveighing against the kolkhozes and sovkhoses? Nor are those who are accustomed to sowing on asphalt remaining aloof off to the side. The autumn of 1990, with its prolonged period of heavy rainfall, is automatically recalled. Winter was on the threshold and in the Moscow region there were large amounts of unharvested vegetables and potatoes and plantations were drowning in water. And a news program showed a helicopter touching down at the edge of a field. The premier of Russia at the time, I. Silayev, and the local leaders who were accompanying him, disembarked from the helicopter. Bugged down in the muddy soil, I. Silayev approached the city-dwellers who were lending assistance in harvesting the potatoes, gestured helplessly and said: "If this field belonged to a farmer rather than to a kolkhoz, the potatoes would have been harvested long ago and you, dear residents of Moscow, could calmly proceed with your own affairs." The people, blue with the cold, quickly agreed with this conclusion.

It never occurred to them that the head of the government—although a fine organizer of aircraft construction—was nonetheless unfamiliar with rural life. But during those years it was not only I. Silayev, nor only the mass media that tirelessly tried to convince the country's population that our food problems were created exclusively by the kolkhoz-sovkhoz system. In particular, this line of thought was advanced by many candidates and deputies of that period.

And the voters believed these politicians. Having become people's deputies, they cast prudence to the winds, discredited the kolkhoz and sovkhos leaders and restrained the government from sending city-dwellers to the rural areas to assist in carrying out the work. What was the result? The rich yields of grain and forage crops, vegetables and fruit, during both 1989 and 1990, remained unharvested on many millions of hectares. Tens of millions of tonnes of grain, feed, vegetables and fruit were lost. Nor did the situation improve during subsequent years.

Our rural areas have been deserted for a long period of time, with the fields often being worked only by elderly persons. And the desolation of the rural areas is not the

fault of those leaders who continue to work there. Many of the misfortunes and problems were inherited by them and many more continue to be imposed upon them. Guided by the dogma of "scientific socialism" and unimaginative practical activities, the governmental organs of the former union, over the past 15-20 years, forced local authorities to carry out the "recommendations" of our numerous academies and institutes and, as a result:

- the kolkhozes and sovkhoses consolidated their operations and subsequently they were broken down into smaller units;
- thousands and thousands of "unpromising" villages and towns were destroyed;
- gigantic reinforced concrete animal husbandry complexes were erected without sufficient basis;
- hundreds of billions of rubles were spent in connection with the devastation of the Aral Sea and the salinization and swamping of millions of hectares of irrigated land in Central Asia, the Volga region, the north Caucasus and the Ukraine;
- international and domestic experience in soil protective farming has for a long period of time been undervalued and in some areas it is still being ignored at the present time;
- over the past seven years, an endless reorganization of agricultural organs from top to bottom has been carried out in an unsystematic manner.

Many scientists and newly declared democrats within governmental structures are in a majority of cases those same individuals who wrote large scientific works on the advantages of socialist agriculture, changed their views along the way and are now making a strong appeal to have the kolkhozes and sovkhoses carry out an immediate and extensive campaign aimed at farmerization and the dividing up of the land.

Critics of the kolkhoz system often flaunt what is to them a forcible argument: the farmers in Western Europe and America furnish surplus products, while we have shortages owing to the fact that everything militates against the kolkhozes and sovkhoses. For goodness sakes, gentlemen! Are you really unaware that the Ukraine, for example, up until recently occupied first place in Europe in the per capita production of the most important food products? And who is not familiar with the operational results of Belorussian kolkhoz members? According to statistical data for 1989, per capita production in the U.S.A. and Belorussia respectively was as follows: grain—842 and 832 kilograms, sugar beets—91 and 176, potatoes—65 and 1,085, meat—122 and 117, milk—268 and 725 kilograms. Thus, there is no need to say anything more.

Our chief misfortunes include the absence of storage facilities and processing enterprises and losses which occur during deliveries to consumers and during trade in agricultural products. It is in these areas that we must concentrate a maximum of effort and resources. If this is not done, the decline in the production of food products will continue into the future. And no farmer will be able to save us.

Do not think that I am opposed to the farmers. To the contrary, I advocate the liberation of farmers from leaseholders. We must support them, but not with idle chatter. Rather we must provide them with credits, equipment and construction materials. This cannot be resolved all at once: years will pass and perhaps even decades before our farmer will be able to lay claim to having produced a worthy marketable product. Today's wild market, under the conditions imposed by the monopolization of industrial enterprises and financial liabilities, is producing a situation in which the farmers are becoming beggars and by no means bread-winners.

The 1st and 2d congresses of people's deputies of Russia adopted important documents for extricating the rural areas from a blind alley. However, instead of the powerful material support called for by the congress, in the amount of 15 percent of the national income for the APK [Agro-Industrial Complex], and instead of a gradual and well thought out formation of a multistructured economy, we are witnessing the destruction of everything already created. As a result—a collapse in the production of farming and animal husbandry products and growth in social tension.

The programs for housing and cultural-domestic construction have been disrupted in the rural areas and the planned volumes for gasification, electrification, installation of telephone networks and water supply lines are not being carried out. Soil fertility is declining sharply and land reclamation operations are not being financed. The kolkhozes and sovkhoses are hurting as a result of the high prices for everything that is vitally needed for the rural areas. To cap it all off, they are no longer being paid for the products turned over to the state resources. The total amount of the debt to the agro-industrial complex is measured in hundreds of billions of rubles.

The people are already suffering from the prices for food products, which have been raised by a factor of 10 or even 100. The majority of the population now finds itself below

the poverty line. Compared to last year, the people are now consuming 25 percent fewer dairy products and 15 percent fewer meat and fish products. The proportion of fats in the overall nutritional structure is approaching a critical level—30 percent—below which it must not sink in accordance with the medical norms.

A critical situation prevails. Agriculture cannot survive in the absence of capital investments, without modern development of the social sphere or without the right to freely dispose of its own products. The government, failing to understand this fact and not undertaking the necessary measures, is undeserving of trust.

We will not realize prosperity through gifts from the West. Moreover, they will never be without strings tied to them. It is recalled that in 1913 the grain harvest in Russia was one third higher than that obtained in the U.S.A., Canada and Argentina taken together. Thus, we possess tremendous potential. We need only employ it in a skilful manner. The Stolypin reform and our own experience underscore the fact that sharp growth in the production of products can be achieved in agriculture within a matter of a few years.

The reader should consider the operational results achieved by Kazakhstan grain growers this year. Kazakhstan is selling 8 million tonnes of grain to Russia, Belarus—3 million and Moldova—2 million tonnes. This is for the most part high grade spring wheat, which will improve the quality of baked bread. The experience realized in developing the virgin lands is invaluable for mastering the Russian non-chernozem region and for the general revival of rural areas.

I belong to the young generation of politicians. I am well aware of how my contemporaries are applying themselves in a responsible manner to the genuine democratic changes. I am convinced that they are prepared to devote their strengths to solving those tasks confronting the rural areas, to reviving the peasantry and to establishing it as the country's benefactor and master of the land.

Impact of Republic Currencies on Trade With Russia

934A0433A Moscow KOMMERSANT in Russian
No 43, 23-29 Nov 92 p 10

[Article by S. Zhuravlev, A. Ivanter, and A. Shmarov:
"What the Exchange Rates of Republic Currencies Will
Be. CIS Republics May Soon Need Rubles"]

[Text] Three weeks have passed since, following the withdrawal of Ukraine and Belarus from the ruble zone, the problem of interrepublic transaction payments became a matter of serious concern to businessmen and state officials. The improperly determined exchange rate of new national currencies might significantly complicate export-import operations for Russian commercial structures. KOMMERSANT experts calculated exchange rates for national currency with regard to the ruble for the situation when trade between Russia and other republics of the former USSR will be conducted utilizing world prices—that is for the most likely variant on which the president of Russia is insisting and which may come about as early as in December.

On 25 November Vladimir Mashchits, chairman of the State Committee for Economic Cooperation with CIS Countries, declared at a press conference that general outlines of a solution to the question concerning mutual transaction payments between the republics are already visible. Entrepreneurial circles are more skeptical. For them the risk factors consist of unclear conditions involved in transaction payments when dealing with firms in countries that have transferred to their own currency (Ukraine, Belarus, Lithuania, and Latvia).

Great confusion is caused by the circumstance that in fact three exchange rates are forming: a rate pertaining to the initial exchange of currencies, the free market rate, and official quotations of the national bank (the only exception being Estonia whose national bank does not quote rubles).

This occurs because, in the process of banishing the Russian ruble from circulation in intra-republic clearing operations, part of the rubles were exchanged for quasi-rubles (rublis, coupon-karbovanets, and others) at the rate of 1:1 (Estonian kroon—1:10). The other rubles went on sale at the market rate. Rubles earned by exporters through deliveries of products in Russia will be subjected to a similar procedure. In Belarus, for instance, half of the rubles are purchased on a compulsory basis (at the exchange rate of 1:1) by the national bank for centralized trade with Russia, while the other half goes into circulation at the free rate.

Thus far quotations of republic currencies are maintained at a rather high level with relation to the ruble. At the same time our calculations indicate that if Russia begins trading with former union republics using world prices, then, with the current structure of commodity turnover, national currency quotes will undergo a radical change. Rate shifts, which are still not very sharp, may occur in the immediate future—in December (See table).

Correlation of current exchange rates and transaction payment quotes in trade at world prices is capable of, if not shocking the imagination, at least evoking some skepticism. Nevertheless there are grounds to assume that such proportions will become real economic practice.

All republics that withdrew from the ruble zone have a negative trade balance with Russia. Selling goods for rubles at prices that do not differ much from domestic ones, Russia is in fact subsidizing its neighbors. The size of the subsidies is considerable: in terms of world prices Ukraine received a subsidy in 1992 in an amount of 7.5 billion dollars, Belarus—3.6 billion dollars, Latvia—0.187 billion dollars, and Estonia—0.095 billion dollars. It is clear that when these subsidies are included in prices the exchange rates of national currencies will drop.

The republics, of course, are free not to trade with Russia at such prices. In that case a number of branches of Russian industry (chemical, machine building, ferrous metallurgy) will begin experiencing marketing difficulties. But, at the same time the potential will appear for delivery of products of the oil, woodworking, and nonferrous industries to foreign markets (See graph). The high liquidity of these goods on the world market will condition a final positive trade balance for Russia after the composition of foreign economic partners is reviewed. In the case of those countries that refuse to trade will be somewhat different: losing Russian markets they will hardly be able to sell their products for hard currency but raw materials, however, will have to be purchased for freely-convertible currency. Therefore they will probably still be trading with Russia.

Existing and Predicted Quotes of Republic Currencies
(Units of National Currency Per Ruble)

	Official exchange rates of national banks	Commer- cial exchange rates (free market)	Exchange rates with transfer to transaction payments at world prices	Predicted exchange rates for December
Ukraine	1.45	1.75	3.87	2.0
Belarus	1.1	1.1	14-15	1.9-2.1
Lithuania	0.95-0.98	0.95-0.98	15	2.4
Latvia	0.48	0.3/0.49*	10-11	0.5
Estonia	No quote	0.03	1.55	0.03

*PAREX cash exchange rate, buy/sell

In the immediate future—in the middle of December - start of January, dynamics of mutual exchange rates will be determined by factors involved in current market conditions, which are specific for each currency.

Ukraine. The high degree of inter-relationship between the economies of Ukraine and Russia indicates that the short-term dynamics of mutual exchange rates will be determined by the correlation of inflation levels. In Russia, after the October "step," the monthly rise in prices was stabilized at a level of 25 - 30 percent. In Ukraine, however, the highly unstable political situation (recent change of cabinet and leadership of the National Bank) as well as the economic situation threaten unpredictable turns in economic policy, the anticipation of inflation, and consequently, price increases. In this manner entrepreneurs dealing with Ukrainian contracting parties must be ready for sharp downward movement in the exchange rate of the karbovanets with regard to the ruble. In calculating the

price level of commercial deliveries in December KOMMERSANT experts advised that the exchange rate not be set below 2 karbovanets/ruble.

Belarus. Mutual dynamic factors of exchange rates of the National Bank of Belarus transaction payment notes and the Russian ruble are the same as in Ukraine. The situation in the monetary sphere of the republic, however, is much more stable. Nevertheless the influx of Belarus rubles in Russia, anticipated according to results of inter-republic settlement of demands for payment, is capable of causing a planned drop in their exchange rate for the Russian ruble from the former 1.1 : 1 to 1.5 : 1.

Lithuania. The market conditions for rubles of various "national origin" in that republic for the immediate future will be connected with the need to urgently find funds to pay for Russian deliveries of petroleum and gas. With consideration of Lithuanian indebtedness for deliveries in the second and third quarters payment for deliveries in the fourth quarter (1.3 billion cubic meters of gas and 700,000 tonnes of oil) which will be made in rubles but at world prices, will come to 85 billion rubles (at the rate of 450 rubles to the dollar). By way of comparison the total revenue of Lithuania from delivery of goods to Russia over 10 months came to slightly more than 1.2 billion rubles. Even if agreement is reached concerning payment in rubles at a preferential exchange rate, the sharp increase in the need for Russian rubles for clearing operations will bring about a significant market drop in the exchange rate of the Lithuanian clearing operation coupon for the ruble. It is possible to predict that the exchange rate of Lithuanian banks today for clearing operations—0.95 - 0.98 coupons/ruble—will plummet in the immediate future. Precise extent of the drop is difficult to predict, but a two to threefold decline in the exchange rate of the coupon as early as in December is quite possible.

Latvia. Here the situation is more stable. This, in part, is evidenced by the circumstance that the unfavorable balance of trade of the republic with Russia is minimal: it is almost a sixth of what it is in Lithuania and slightly more than a sixth of that in Estonia.

Estonia. The Estonian kroon occupies a special place among "freshly printed" republic currencies. The fixed exchange rate of the kroon to the German mark (18

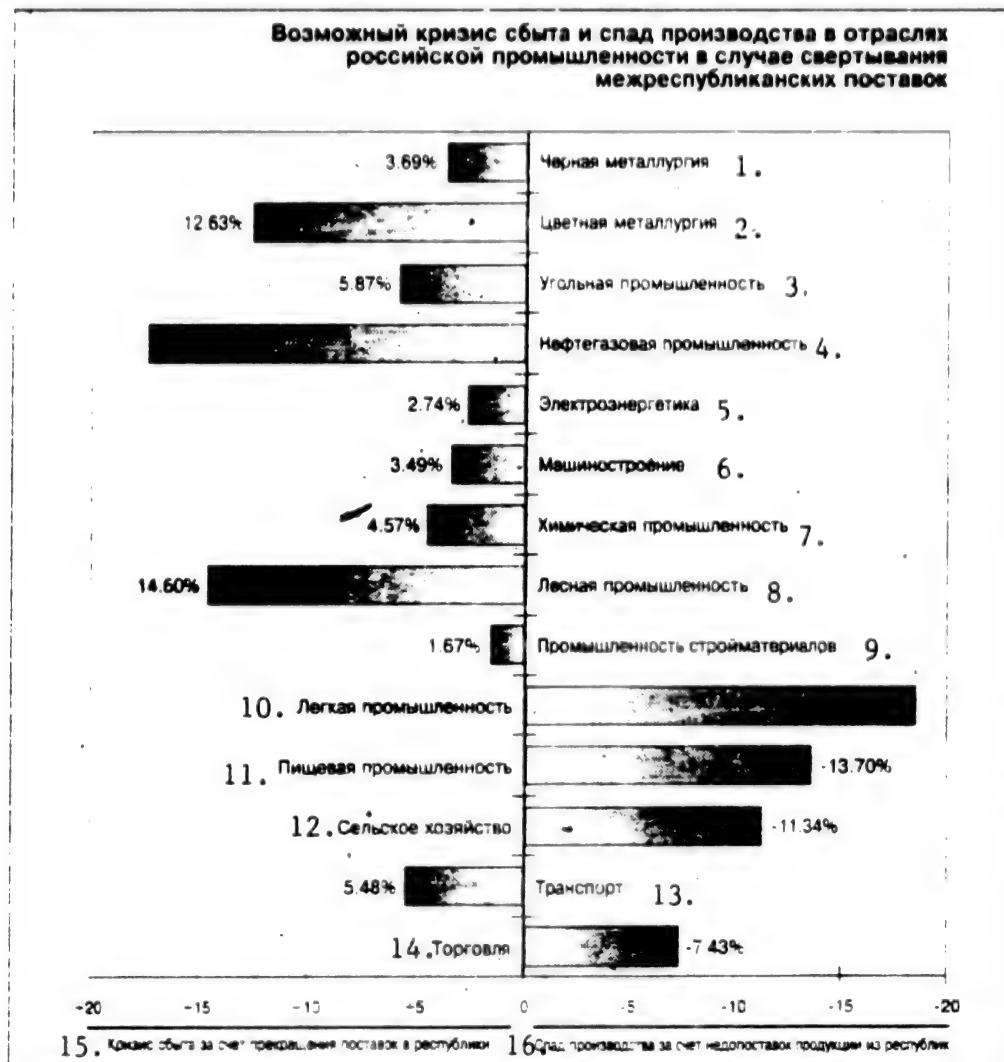
EEK/DM) has held steady now for some five months only through the efforts of its Bank of Estonia. Right after the introduction of the kroon on 22 June of this year the Deutsche Bank declared its non-participation in the attachment of the new currency to the mark and non-participation in the formation of the corresponding stabilization fund.

The reason why the kroon maintains its rate of exchange lies in the very rigid monetary-credit policy as a result of which enterprises have practically no free resources in kroon. The negative side of maintaining the exchange rate is a sharp drop in business activity: the extent of the decline in industrial production according to results for nine months amounted to 40 percent, and exports decreased by more than a fourth in September as compared with July. Nevertheless the policy of supporting a fixed exchange rate, according to available unofficial information, will continue: there is some information to the effect that if it proves to be successful for another month or two Germany will then offer assistance.

There is an important circumstance, however, which may interfere with all these plans. It is the negative domestic trade balance which has appeared, that leads to a significant outflow of foreign currency reserves. The mandatory conversion of freely convertible currency into Estonian kroon compelled most of the large depositors, who do not trust the new national currency, to distribute their foreign currency accounts among foreign banks. That led to a financial crisis in the republic as a result of which a government order halted the operation of three of the largest commercial banks of Estonia. The financial crisis is also being aggravated by the fact that in response to nonpayment for Russian goods delivered in the republic (mainly consisting of fuel) Moscow froze Estonian foreign currency accounts in the Unified Baltic Bank amounting to around 80 million dollars.

Information is already circulating in Estonian financial circles which is insistently denied by representatives of the Bank of Estonia, to the effect that in order to solve the financial crisis the government intends to devalue the national currency unit by 40 percent. KOMMERSANT experts, nevertheless, believe that the hard exchange rate will be maintained and the kroon will survive to the end of the year.

Possible marketing crisis and drop in production in branches of Russian industry with cutback in inter-republic deliveries.



Key:

1. Ferrous metallurgy.
2. Non-ferrous metallurgy.
3. Coal industry.
4. Petroleum and gas industry.
5. Electric power engineering.
6. Machine building.
7. Chemical industry.
8. Lumber industry.
9. Building materials industry.
10. Light industry.
11. Food industry.
12. Agriculture.
13. Transport.
14. Trade.
15. Marketing crisis resulting from stoppage of deliveries to the republics.
16. Drop in production resulting from shortfalls in delivery of products from republics.

Russia Asked For 1990 Baku Documents

93US0186B Moscow IZVESTIYA in Russian 26 Nov 92
Morning Edition p 2

[Article by Sokhbet Mamedov: "Azerbaijan Hopes To Obtain From Russia 69 Volumes Relating to Criminal Case Involving Sending of Troops Into Baku in January 1990"]

[Text] Baku—I. Gambarov, chairman of the Azerbaijan Supreme Soviet, has asked the speaker of the Russian parliament to provide assistance in obtaining 69 volumes of documents relating to the criminal case involving the introduction of troops into Baku in January 1990.

Spokesmen at the republic Supreme Soviet's press center told an IZVESTIYA correspondent that the documents are in the Russian Federation Procuracy and are of great interest for the investigation.

However, in the opinion of a number of journalists, the main purpose of the request is to secure the Russian Federation parliament's support in obtaining authorization to question certain officials of state agencies of the former USSR who were involved in sending troops into Baku. First and foremost among them are: former USSR Defense Minister D. Yazov, KGB Chairman V. Kryuchkov, CPSU Central Committee Secretary A. Girenko, Ye. Primakov, chairman of the USSR Supreme Soviet Council of the Union, and other high-ranking officials. So far, questioning of them by a team of investigators from the republic procuracy has been impeded by the fact that Azerbaijan and Russia have no agreement on reciprocal legal assistance.

Russian-Turkmen Trade Indicators Up

934A0406A Ashgabat TURKMENSKAYA ISKRA
in Russian 17 Oct 92 p 13

[Article by A. Belshin: "Advantageous Ties: Figures and Indices"]

[Text] Long-standing ties of close and mutually advantageous trade and economic collaboration link the Russian Federation with Turkmenistan. Russia is the main supplier of production-technical goods, consumer goods, and foodstuffs for our republic. Numerous types of industrial products, chemical and other raw materials, vegetables and melons are in turn shipped from Turkmenistan to Russia. The conclusion of an intergovernmental agreement on trade and economic collaboration between the two countries for 1992 helped to preserve former ties and restore them wherever they were disrupted.

Today the Russian Federation supplies various production structures of Turkmenistan with rolled and other metal products, machine tools, as well as production equipment, motor vehicles, electrical engineering products, technical equipment for granaries and enterprises of the food, light, and textile industries.

Turkmenistan likewise imports chemical and polymer products from Russia, along with food, and everyday household goods—television sets, tape recorders, electric appliances, radios, photo cameras, musical instruments, motorcycles, bicycles, clothing, footwear, fabrics, china, etc.

In eight months of 1992 Turkmenistan shipped 200 centrifugal pumps, 40,900 tonnes of aluminum sulfate, 101,100 tonnes of sodium sulfate, 75,000 meters of woolen fabrics, and 16,400 tonnes of vegetable oil. The agreement for delivery of 53,000 tonnes of coke, and 72,600 tonnes of vegetables was fulfilled and instead of 2,000 thousand dal [dekaliter] of wine grapes some 2,691 thousand were shipped. This year Turkmenistan intends to supply the Russian Federation with 150,000 tonnes of cotton fiber.

The Russian Federation and Turkmenistan are the largest suppliers of energy sources in the CIS selling them to each other as well. Russia delivers crude oil to Turkmenistan, along with liquified gas, coal, and various types of oil. Turkmenistan, in turn, sends petroleum products and natural gas to consumers of the Russian Federation which is also exported through Russian Federation pipelines to nearby foreign countries—Ukraine, Armenia, Azerbaijan, and Georgia.

How responsible are the partners to each other? In eight months of this year export deliveries of Turkmenistan amounted to 53.5 percent of their annual volume. While those of the Russian Federation—came to 62.6 percent.

At the present time preparations are under way to conclude an agreement between the government of the Russian Federation and the government of Turkmenistan on trade and economic collaboration in 1993.

Oil Highlighted In Tatarstan-Lithuanian Trade Agreement

934A0406B Moscow NEZAVISIMAYA GAZETA
in Russian 21 Nov 92 p 4

[ITAR-TASS item: "Intergovernmental Agreement Between Tatarstan and Lithuania"]

[Text] "A window to Europe through Lithuania"—that is how leaders of Tatarstan viewed the intergovernmental agreement which was signed by Mukhammat Sabirov, prime minister of Tatarstan and Bronislav Lubis, vice-premier of the Lithuanian Republic.

This document laid the foundation for trade-economic, scientific-technical, and cultural collaboration between the republics. Mukhammat Sabirov stated: No less than 1.5 million tonnes of Tatarstan petroleum will be refined at the Maszheykyay Oil Refinery which will permit the export of petroleum products as well. The sides declared the intention of Tatarstan to invest capital in the Klaypeda Maritime Port, and that of Lithuania in the petroleum industry of Tatarstan. Lithuania is also interested in the acquisition of large tankers whose production is being organized at the Zelenodolsk Dockyard.

ECONOMIC AND SOCIAL AFFAIRS

Macroeconomic Stabilization Seen as Prerequisite to Price Liberalization

934A0402A Moscow MOSKOVSKIY KOMSOMOLETS
in Russian 11, 12 Nov 92 p 2

[Article in two instalments by Andrey Nuykin: "A Steep Mirage"]

[11 Nov p 2]

[Text] We lived all of last year in agonizing, tense anticipation of more and more troubles. It's been a long time since we've dreamt of luxury—all we dream of now is simple stability. If it is to be difficult, let it be stably difficult, so that this state of being suspended over an abyss by a rotting rope would finally end. Where is this key to stability, in what does it lie? A stable (albeit low) exchange rate of the ruble—is that our goal? But it is clear, after all, that this exchange rate depends on numerous factors. It is the roof and not the foundation of stability, upon which Gaydar's program is oriented. Prices, prices, damn them! When will they finally stop those leaps and taunts that paralyze our will to live? When will they become not only free but also balanced and stable (albeit high)? This is precisely where a zone of permanent stability must establish itself, to gradually spread subsequently to all other spheres (including political).

Strange questions I pose, spreading a fog over things that seem to have been understood by everyone long ago. Everyone of course knows that stability will be reached when our prices reach the level of world prices! It is the latter that correspond precisely to modern technologies, demand and expenditures, they have long been balanced, and they have been almost immovable in the face of variable time-dependent market conditions.

The IMF and the World Bank are pushing us hard toward world prices, seeing evidence of real radical reform in just an orientation on them. Journalists and television commentators are outdoing one another in dreaming about them as the second coming of Christ, because, you see, "The ruble will then finally become convertible, and prices will become 'market' prices, as a result of which no one will ever be able to dictate them again!" (VESTI, 20 May 1992).

Michael Emerson, the European Community representative in Moscow, cannot see how we will be able to achieve this at an average wage of \$10, but even he is convinced that "prices will have to be released. They will come closer to world prices" (IZVESTIYA, 25 April 1992).

Even Larisa Piyasheva, who is so critical of Gaydar's strategy, predicts its failure primarily because "real liberalization" of prices has not yet occurred, and therefore trade is acting the parasite, playing upon the "discrepancy of restricted prices" (LG) (LITERATURNAYA GAZETA, 9 September 1992).

We are of course talking primarily about the main and saddening obstacle in the path toward our desired goal—fully releasing price controls on fuel. So it was that K. Borovoy recently complained of how slowly our oil prices were converging with world prices. And anyway, anyone

who does not complain of this is considered to be a reactionary and an enemy of the free market.

Of course, those who are hurrying to enter the dependable harbor of world prices as quickly as possible understand how difficult and painful this path will be. You and I do not require any proof of this, unfortunately. We have already given up many things that were fully within our means not that long ago at all. But what will come of us when bread, groats, potatoes, meat, fish, oil, footwear, clothing and fuel are elevated to the rank of "luxuries"? As it is, the dynamics of the development of events make such an assumption not excessively fantastic.

I don't know how it is with anyone else, but the overall figures for the decrease in production are not making any special impression on me. If we consider not only defense industry but also all who worked with it directly or indirectly, probably 75 percent of our potential has disappeared into this bottomless pit. Moreover many enterprises produced things people didn't want to have (because they didn't need them or their quality was so revolting). One could only dream of reducing production of this kind, were it not for the fact that the fate of millions of people is tied in with it: It would have been inhumane and risky to leave all of them suddenly without work. But when you begin to acquaint yourself with precisely what sort of production operations, forms of activity and spheres that are presently on the brink of failure in our country, it becomes not simply troubling but even terrifying. Here are a few signals picked up from the press at random.

"Not one ruble entered the treasury of the plant in Lyubartsy manufacturing power mowers last month.

"'We will have to declare bankruptcy,' complained the director of this plant, 'there is no demand for our products.'" This is mowers! This is at a time when farmers are desperate enough to resort to sickles to procure their feed, but even sickles are impossible to find today!

"Textile workers in Ivanovo have stopped production."

"The premature death of three to five million people in a year—such is the price of mistakes in production and sale of medicines. This is in a time when pharmacy warehouses are literally splitting at the seams with medicines that are not being distributed because no one has paid for them. There is good reason why doctors feel that 'our Ministry of Health is an insolvent murderer'."

"The fee per kilometer for airline passengers has exceeded what just recently was paid for taxis, but even this improbable price will not compensate for the outlays."

So let's look at taxis.

"Taxi fleet director Polozov feels that if gasoline jumps to 17 rubles per liter, it would become unprofitable to operate vehicles for their intended purpose. Taxis could die out as a form of transportation."

But is this true of only taxis?

"The telephone is becoming a luxury, and not a means of communication."

"Moscow may descend into darkness (Mosenergo proposes raising prices)."

"And just try to insure your 'wheels' or dacha for their full price today—the wallet simply won't take it. At today's income, normal insurance has become a luxury to most Russians."

And when it comes to culture and science, it seems that all that remains is to ask Bush to declare both of these spheres "disaster zones." (Why him? Because our "announcements" are having no influence upon anything!)

Here's an article title: "The Motion Picture Market in a Time of Transition to the Market (it is unprofitable today to make films and even more unprofitable to show them)."

For your information: "Newspaper and magazine subscriptions as of 10 September are 1 percent of the 1991 level."

Because, in particular, "the post office charges not less than R270 to send a single issue of a thin magazine to, for example, Bulgaria."

By the way, it's not only newspapers and magazines that are at risk of repeating the fate of the mammoth, but also the publishing houses of fine literature. The triumph of antimarket principles is what is instructive here: The larger the circulation of newspapers and magazines, the greater are the losses. And this is in a time when payment of authors for their work has practically ceased. Some publishing house directors ironically say that it is more advantageous today for them to sell blank paper than a book printed on this paper.

We are embarking upon a dangerous course of events in which different forms of activity and spheres of life, without which society is not a society and man is but a wild animal, are beginning to self-destruct.

But perhaps sooner or later the basic sectors will finally have to reduce the prices of their products and services (they won't want to self-destruct, after all!). Then the chain of acts of price reductions will gradually begin moving in the reverse direction—up the technological ladder. Specifically, it is precisely upon this hypothesis that, I believe, Gaydar's strategy of transition from stabilization to motion is in many ways based. The economy has been given a hard choice—live or die! The motto is: to renewal and recovery through universal collapse, evoking the withering away of everything unnecessary, ineffective and unviable! The economy is being put into a steep dive with the hope that the pilot wants to keep on living, and he will be able to pull in the joystick at the last minute, overcome the G-force and climb back up into the sky.

But answer me this: How can the basic sectors (chiefly extraction of oil and other fuels) even begin reducing prices if today's, which are beyond the means of consumers, can't bail them out? Three radical increases in the price of oil, it turns out, are capable of covering the outlays on its extraction only until the end of the year, and after that, further increases in prices "will boomerang back at the sector, and will affect its internal expenditures" (MN [MOSKOVSKIYE NOVOSTI], 27 September 1992). This is despite the fact that the sector actually needs far more than just to "cover its outlays": It needs to be fully reequipped and its technology must be reoriented right away. Nineteen thousand wells were abandoned in the Tyumen North because there is nothing to repair them

with. We need at least \$25 billion to simply return the oil production volume in Russia to its previous level, not to mention increasing it!

So when, and at what expense, will the chain of cheapening processes begin to crawl upward? And will it begin going upward at all? Or will the pilot find it impossible to recover our airplane from its dive? The question, you must agree, is capable of raising anxiety in all interested persons. And the problem's solution is not something that can be blindly handed over to the unsupervised disposal of even the wisest specialists. Remember the driver in the dream dreamt by Cadet Bigler in Gashek's work? He raced his vehicle right at the enemy batteries and refused to turn away because it was absolutely unimportant to him where the vehicle went, as long as the road was good. This was a true professional, and consider what was left of him after a direct hit on his vehicle by an artillery shell—dust!

And so, it is precisely in world fuel prices, in the desire to attain them as quickly as possible that I believe the main dream of Gaydar's economic strategy is concealed. And this strategy has come extremely close to winning, as economists assure us. For example, O. Latsis: "Monopolist enterprises have felt the limit of the demand on their products. Even in the absence of choice, people have stopped buying them due to the unimaginable prices. Finding themselves short of money, the enterprises have now begun thinking about lowering prices and restructuring their production.... The decrease in growth of prices confirmed that the market mechanism had begun its good work. But immediately after it began its work, it stalled!... Hundreds of billions of rubles given to industry without any persuasive economic grounds took away from us of a significant part of what we had attained.... The cart of economic reform crashed into a boulder and stopped...." (IZVESTIYA, 21 September 1992).

The solution? To shame Central Bank chairman V. Gerashchenko and push the cart along its previous road to the most cherished goal—full liberalization of fuel prices, since only this can put everything into its place, and in particular, "it will spotlight all of the ineffective production operations that consume more than they produce." And not only this. As economist M. Surtsukov wrote, "A rather stable segment will be established in the sphere of prices, about which other, less stable price proportions will begin to confirm themselves—that is, oil prices could become the 'anchor' of the price system as a whole" (IZVESTIYA, 18 February 1992).

Add to this that world prices will put oil extracting and refining industry back on its feet, and make it possible for it to master modern production procedures, thus sharply raising productivity and reducing cost on this firm foundation. And then a chain reaction of decreasing prices will begin on an ascending path—from raw materials and other basic spheres, to manufacture of consumer end-products.

The only important thing is to endure until this cherished moment, so that all spheres of the economy and personal life would reach it alive, without collapsing and without falling into paralysis. They did, after all, survive the first jumps in fuel prices, albeit with difficulty. Can't we make it to the finish line, which is now so close? There's so little left to go, it seems, just a little bit!

"A little bit!" V. Prikhvatilov wrote in April that **"Our domestic oil price is but 3 percent of the world price!"** (KP [KOMSOMOLSKAYA PRAVDA], 21 April 1992). In the last months we seem to have spared neither ourselves nor the people in competition with Kuwait, and it has already been announced on several occasions (including by Gaydar) that the price in the domestic market has come up to almost 50 percent of world prices. Let's not go into who is closer to the truth for the moment. What is important here is something else. In this time the rate of exchange of the ruble fell by several orders of magnitude, and world prices are not reckoned in rubles, after all! And so, as we make one heroic super-effort after another, are we really approaching world prices?

In May (after the last jump in oil prices) a tonne of oil cost somewhere around R2,300 at a ruble exchange rate of around 120 to the dollar and an oil price (on the London market) of \$129 per tonne (that is, 15,500 in rubles). Consequently the domestic (regulated) price was somewhere around 15 percent of the world price. Now the cost of a tonne of oil has risen in our country to R5,000, but the exchange rate of the dollar leaped to R400. As a result if we use that same \$129 as the "world price," then our present domestic price is less than 10 percent of the world price! And we were promised that at a price of as low as R4,000 we would reach 36-40 percent of the world price.

The following indisputable conclusions can be made from these elementary calculations: a) In raising fuel prices and provoking inflation, we are not approaching world prices, but instead are falling rather swiftly behind them; b) to attain the level of world prices in the domestic market, what we need to do is not undertake "one final effort" but increase this effort more than tenfold, on the basis of the fantastic hope that a further decline in the exchange rate of the ruble will not occur for some reason!

The "avalanche-like reduction in prices" of goods and services by which we are threatened by needs to be pondered separately.

Anyone who produces bread, milk, irons, footwear, computers and so on in our country and who finds himself in an overstocked situation that creates the threat of bankruptcy should, it seems, be compelled to begin lowering prices. You won't win over the world market with our consumer goods! That means selling the goods for rubles at prices corresponding to the purchasing power of Russians.

But tell me if you please, what will force the monopolists of the basic spheres—the producers of raw materials, oil and gas—to begin dropping their prices below world prices when the former are made completely "free"? The demand for these products is always sufficiently high in the world. Will all production operations that are dependent upon them (and who is not dependent upon them!) have to declare bankruptcy? What do the oilmen and oil merchants care? Altruism is not something that the market recognizes! And a jump in prices in response to total release of fuel prices won't be anything like tenfold—that would happen in the total absence of inflation. With such a jump, hyperinflation of such a scale will arise that rubles will lose all meaning and prices will be quoted only in dollars. Why would producers of oil and raw materials sell

something for rubles when they have the fortunate possibility (in contrast to most other producers) for selling in dollars? They aren't threatened by overstocking, and an absence of solvent demand will not put a chokehold on them. From where will that saving chain reaction of price reductions promised to us begin in such a case?

As it turns out, rather soon we will unavoidably have to recognize the senselessness of the heroic sacrifices of the Russians, committed for the glory of the free market, and begin, alas, administratively imposing prices on the basic spheres of production! I fear, however, that by this time the country will simply not have any strength left to dictate terms to those who will assume control over spheres of activity able to trade for currency.

If as a result of all of this year's sacrifices, in the face of an almost nerve-shattering universal rocketing of prices, we sell oil in our country for a tenth of its world price, what sort of financial resources and what power will be achieved by he who gains the possibility for selling it for its full dollar value abroad? The miserly percent of expenses that is devoted to tips in normal business is enough for him to buy up all of the ministers, deputy-legislators, procurators, judges and most press organs (all four estates of power!) and establish that structure in the country, that system of economic, political and moral relations which will suit his interests, tastes and wishes to the greatest degree.

For practical purposes such monopolists are no longer answerable to anyone, and they can dictate their will to the country, the government and the president. Here again are some quotations for the purposes of illustration: **"Under the pressure of the raw material lobby, the government is lowering the duty on raw material exports"** (KURANTY, 20 March 1992). **"Fuel is being dispatched across the border in entire trainloads illegally. One hundred thousand tonnes of gasoline were recently shipped to China in this way. A standard bribe for officials has even established itself—\$2 per tonne"** (Radio Freedom). **"Just in the last quarter around a million tonnes of oil were smuggled abroad out of Russia"** (MN, 13 September 1992). **"In the opinion of world experts the country is receiving from oil exports only 5-10 percent of the real value of the exported oil"** (MN, 20 September 1992). And this is even considering that "oil is essentially the country's sole source of currency today"! As for whose hands this source is in, that's revealed by the following detail: Foreign criminologists state their readiness to find the oil billions stolen from the country, but in order to do so, criminal cases must first be instituted against specific (already revealed) cases of loss. But no one is initiating these cases! Judge for yourself the rank of our thieves, and what the consequences of this are to their beloved fatherland.

To be honest, the never-ending discussions about an imminent merciless fight against corruption are no longer evoking anything but bitterness and irritation. The leaders of our law enforcement departments, and their closest associates, evoke not even the slightest trust on the background of what is going on. They are unwilling to solve this problem, and even if they wanted to, they hardly could. And when the mafia places dollar-making fuel under its complete control, it will assume control over everything else, including appointments to positions in law enforcement organs.

It is here, I believe (and not in the plans of Wall Street bankers or CIA plotters) that the real ideology can be found. And the mechanisms by which Russia is to be inserted into the world economic system as its raw material "appendage" are already operating.

The idea of achieving the country's fastest possible transition to trading at world prices has in many ways become the catalyst of this dangerous process that is truly insulting to the national worth of Russians.

What are we to do? Are we to accept the inevitable meekly? But first let's think a little: Need our internal market make a transition to world prices? And is the "release of prices" proposed to us really a transition to "free" prices, to market prices?

"Release" is not an economic concept; under different conditions it is capable of acquiring the most dissimilar meanings—both creative and destructive. And in order to understand the essence of our "liberalization" of prices, we must stop confusing free prices with spontaneous prices. A well-tuned automaton works "by itself," almost without outside interference. But if it is chopped up into a pile of fragments, you can't expect wise automatism and miracles of self-organization from it. In its development the free capitalist market relied substantially on many spontaneous processes, however it is not the fruit of spontaneity, but the result of lengthy organizational activity of nations, of conscious formation of this "freedom" itself. In some areas this spontaneity was utilized and even encouraged, while in others it was limited and even curtailed in the most brutal fashion (recall the antimonopoly legislation, the harshness of tax regulation and control, and so on). "Freedom of prices" was ensured in a free market not by the organization of relations between producers and customers, but by the organization of life as a whole; and not of just economic life alone, since otherwise the result would have been not freedom of prices but the freedom of the strong to devour the weak, not democracy but banditocracy, which is what the former nomenklatura is yearning to impose upon us today under the label of a free market, and seemingly in the name of democrats.

Our prices were "released" in the absence of a market, of a situation where prices are determined by the relationship between supply and demand. (Not demand *per se*, but limited purchasing power.)

Upon attaining their "freedom," what did our producers find available to them as reference points? Yes, the answer is precisely world prices, transformed into rubles at the market rate of exchange. And it is precisely for this reason that it appeared right away to an enormous number of people that a solution of brilliant simplicity had been found. All at once, with a single wave of the hand, a very simple, extremely stable price ratio tested by world experience is introduced into general use, a reliable limit of their growth is set, and convertibility of the ruble is practically established. Yes, yes. After all, if it is guaranteed that R400 will get you the same that you can buy for \$1, this would be valid at any point on the globe! Does this cause rubles to become "too cheap"? Whatever the case, the cheaper they become, the more of them producers automatically begin to acquire. Then the total tax correspondingly increases, and if desired, wages could be raised

by the same amount. The scale of the monetary unit changes, and nothing else! You can call rubles kopecks in order that their rate of exchange would appear more substantial, and the ruble will once again acquire some value—each one will bring in a good 33 cents.

So much joy we can create for ourselves, without having to pay for it, from simply converting all prices to the level of world prices. How could we not "cinch up our pants" and chase eagerly after such an idea?

This, I believe, is the source of the satisfaction expressed in reports of our gradual but inevitable convergence with world prices, the source of our desire to attain them along the entire front as soon as possible. But is this necessary? And is it possible in principle?

[12 Nov p 2]

[Text] I ended the first part of this article with a question: Is domestic trade able in principle to raise itself to the level of world prices? Sensing this to be a "trick" question, the bright reader has probably concluded that I will turn right around and begin arguing that no, this task is impossible to carry out! But he would be wrong. We have already been trading most goods for a long time at prices greatly exceeding world prices. Try selling our consumer goods, our food products and our services to a Parisian or a New Yorker. How much would he pay you for them? That's right—usually nothing. That is in fact their true world price.

And then ask our street vendors, and yes, all other merchants as well, how they determine the market price these days? Precisely in this way: They take the price of a similar (in name, not in quality) article in Washington or Rome, multiply it by the ruble's exchange rate, and there you are! A little expensive, isn't it? L. Lobzenko, first deputy director of USSR customs control, announced during the heyday of perestroika that the main goal of economic reform was to "equalize the prices of goods in our internal market with their prices in the Western market." But as for goods being "expensive".... We wanted to live "as they do"? We strived for a market economy? We dreamed of integrating ourselves into the world system? Come on, let's do everything like them. That goes for prices too.

But when it came to the quality of our goods and services—not a murmur!

When the talk turns to world prices, this topic is simply sidestepped, and so we are forced to buy, at world prices, shoddy goods that should be sold (from the standpoint of world criteria) at bargain basement prices. That's first.

Second, if we look at world prices as a living system, and not like a deck of marked cards, then one of the key components of it should be the cost of labor.

Recently three servicemen from Barnaul signed up for work in the United Arab Emirates together with their families and were deeply disappointed by their monthly wages of \$500. This was \$300 less than unemployment assistance in the Emirates, and \$4,500-\$7,500 less than the salary of any junior commander. The difference is in fact outrageous, but when you multiply 500 by the ruble's exchange rate, it becomes clear that these servicemen from Barnaul were offered an incredible wage of R200,000 per month! In the meantime in our country, air traffic controllers came very

close to being lynched when they brazenly demanded a wage four times less. And a country in which the president is paid, according to world standards, almost twice less than the United Nations has established for poorly developed countries of Asia and Africa as the absolute subsistence minimum, is being asked to pay for all goods and services at world prices?!

Any description of a price (high, low, reasonable, extortionate etc.) is totally meaningless without relating it to the income of the population. In the good old days, Soviet economists liked to boast how inexpensive many basic necessities were in the USSR as compared to capitalist goods. Yet when it came to the fact that our workers worked for almost nothing, that's something they didn't like bringing up. But if all functions of the employer, the merchant and the tax collector are concentrated in the same hands, it makes no difference to a supermonopolist as to what to make expensive, what to make inexpensive, where to give, and where to take away. Bread could be given away for free, and the losses could easily be covered through taxes, the taxes could be repealed, and this could be compensated more than enough by cutting wages. This freedom of maneuver opened up enormous possibilities for ideological demagoguery. We lived at the poverty level, but we were happy: Many things were inexpensive to us (apartments, electric power, bread...). In fact, we were "paid" nothing, and we "bought" nothing, we were prudently doled out what was considered to be necessary, and exactly as much as what in its sum total would correspond to the subsistence minimum.

Now the reformers have decided to quickly correct the accumulated disproportions in prices, which weren't real prices anyway (which is why it is in fact very hard to find any logic in them). And so they began making the adjustments, of course, with things which were "unjustifiably inexpensive" in our country. It quickly became clear that when prices are expressed in dollars (for some reason no one sought any logic in their exchange rate), practically everything in our country begins to fall in this category. Except, of all things, manpower. For our monthly wage expressed in dollars, an American can eat breakfast once in a cheap fast-foods outlet. And we have to live on it for a month, and sometimes even support a family with it.

But there is one other important aspect: Manpower is a special sort of commodity. Its price is what determines the purchasing power of the population, and therefore the country's total income must at least approximately correspond to the total prices of all goods and services. A gap between income and prices leads to a decrease in consumption, and the latter forces shut-down of production. On the other hand rendering demand primitive warps the structure of production. All of this takes us further away from world prices, rather than bringing us closer to them. At this point I would probably be interrupted by some economist: "Are you seriously asserting that the average wages of a Muskovite, in terms of their actual material content, are equivalent to one breakfast of a New Yorker, and that the wages of our president are less than an American's unemployment assistance? How can you possibly compare the exchange value of the dollar with the real value of this sum in day-to-day life within the country? It is precisely this

sort of incompetency and dilettantism that is leading to the logical and arithmetic absurdities you are talking about...."

But that's precisely what I'm getting at: How can we possibly compute world prices in absolutely unconvertible rubles, the exchange rate of which was established under the conditions of inflation, in the process of speculation and deliberate jacking up of the prices of currency, and offering them as the norm, as the standard, as the basic constant for all internal operations? What is this—dilettantism, incompetency, or something worse? I ask this in response, although I know that intelligent people never answer a question with a question.

Just two years ago you could have read the following in our press: "In the early 1980s the dollar was traded in Moscow at a ratio of one to three or four. By the early 1990s its price jumped to R20. A totally humiliating and speculative exchange rate, but what can you do?" (MOSKOVSKIY KOMSOMOLETS, 6 July 1990)

Now the price of the dollar has jumped to R400, and for some reason no one is complaining that it is humiliating. The line that prevails is "so what can you do about it?". In other words, this is what the market has dictated, and you can't argue with the market! With the market, no, but you can argue with its absence.

According to calculations of the CIA, our ruble should actually cost \$3, rather than a dollar costing R400. This is the estimate their experts came up with for our country as a whole. Some of our regions are even richer than that. E. Tenyakov, president of the Chelyabinsk general exchange, is convinced that in the Urals, one ruble costs \$6.80 in U.S. currency. So there you are!

It was of course not just by this quest for the phantom of world prices that our finances have been reduced to such a disastrous state. It happened with our connivance and cooperation. The exchange rate of monetary units is determined not by all of the wealth of the country but only by that which is introduced into commodity turnover. We mustn't forget that in our country, land and just about all real estate of any seriousness is artificially exempt from turnover. Just the military-industrial complex alone, together with its resources of cosmic scale, has the power to bring down any monetary unit.

What has our state usually done to make the ruble more substantial? The fantasies rarely went beyond plundering the people. And the main direction of this effort was to raise prices, reduce rates, and renege on financial obligations. But what did this do? When prices increased, the price of the dollar increased right away as well, such that nothing changed in the space of the world currency system. And even inside the country, the "advantage" reduced to devaluation of savings and cash. Such an "advantage" is doubtful—all it does is undermine the people's trust in all forms of government securities, which damages the economy and ultimately raises the price of foreign currencies.

Nor can we exclude the deliberate, well-planned, major acts of jacking up the prices of currency by those who have accumulated it in enormous amounts and can now begin to buy up real estate literally for kopecks, or more accurately, for pennies.

Foreign tourists have long been amazed. Why is it that we are complaining that things are so expensive? All you need to do is exchange dollars for rubles, and you can buy anything at unbelievably low prices. "Composers' Club Sold for \$400"—such was a headline in NEZAVISIMAYA GAZETA. Was this a shady transaction? Not necessarily. Such absurdities are now encountered at every turn—they are a natural product of artificially jacking up the exchange rate of foreign currency to unprecedented heights.

And it is on the basis of this exchange rate that we are asked to compute world prices for everything and then obediently purchase things at these prices, now possessing a wage that is already a thousand times less than that of foreign colleagues of the same qualifications. But prices calculated on the basis of such an exchange rate are not at all world prices—they are extortionate, superspeculative, ultramonopolistic prices. Prices which are set not by the "laws" of the market but ultimately by the mafia.

But if this is so, then tell me if you please, why should we put down our lives in the name of a complete and final victory of these pseudo-world prices over us? A knowledge of world prices is something an economist must have if he is to analyze internal national processes. The foreign trade of any country and world economic cooperation are based on them, but no one conducts trade in domestic markets at world prices! Moreover if goods were traded everywhere at the same prices, international trade would wither away due to the absence of stimuli. It is based, after all, precisely on the difference between the domestic prices of different countries, and the greater this difference, the more intensively such trade goes on. This formula is valid even for countries with freely convertible currency in which market relations had triumphed long ago. Dissimilarities in natural conditions, in transportation possibilities, and in presence of raw materials and their accessibility to development, the unique features of historically evolved economic priorities, the traditions, experience and tastes of people in different countries and regions, the level of labor productivity, the level of culture (and not just in production)—all of these things (and many others) directly predetermine the enormous difference in prices of both raw materials and consumer end-products in different countries and regions. It would of course be absurd to try to make the price of sand sold in the Sahara the same as its price in Antarctica!

Moreover there is no state—nor could there be one—which would in principle allow the country's economy to drift over the World Ocean at the will of waves and winds. All states possess sufficient mechanisms capable of influencing prices extremely significantly: economic (including financial) legislation, an international policy providing favorable conditions for trade (even going as far as war!), protectionism or, on the other hand, the "open door" principle, structural and demographic policy, taxes, duties, customs fees, subsidies, loan policy, licenses, state orders and investments, propaganda and education.

No normal economist in a normal country is about to pose an absurd goal before the government and the society—to equalize domestic prices with international prices. This is both impossible and simply unnecessary. All the more so if we are talking about raising prices. Each seeks ways to make them as much below world prices as possible. Then

trade with other countries would enrich the people, rather than devastating them, and make the economy strong and viable.

The economic system of real socialism has exhausted itself absolutely. The single state supermonopoly took robbery of the country's wealth to a level at which it can no longer maintain its superincome while bearing its previous (albeit purely nominal) responsibility for keeping the standard of living of laborers at poverty level (according to world standards). It became undesirable for the rulers of our lives to combine the role of robber and, simultaneously, defender of the people. They yearned to make the mechanism of plunder anonymous and faceless. The idea of a market, together with its nonsentimental laws, was a perfect way to reach this goal. Not a democratic market, one that would lead to the demise of their omnipotence, an uncivilized market, an unreal one, but a fictitious one, an ornamental one. So that rather than dictating the terms, terms would be dictated to it. By whom? By all those same forces and persons as before, except that they would now be dispersed among many monopolies, monopolistic structures, clans, juntas and mafias. This dispersal also expressed itself in the passionate love of national sovereignty that suddenly caught fire in many, in regionalism, in regional separatism, in bureaucratic restructuring having only the appearance of privatization, while masking the existence of the same old monopolisms, in the appearance of certain omnipotent organizations, associations and "bigwigs" in the arena.

The continued absence of antimonopoly legislation and of laws against organized crime is then doing. The speculative exchange rate of a dollar is something they created. And the games being played with world prices are their games. Entrepreneurs, commercial farmers and private merchants will be absolutely unable to acquire the freedom and the laws they need to support their creative activity in our country, while on the other hand for some reason neither the parliament, nor the government nor the president is able to create any obstacles to the omnipotence of the monopolists. Moreover prices are being dictated to us today not by the world market but by them, by our countrymen, the monopolists, in a union with partocrats and the nomenklatura.

Consider the delight with which that handsome pitchman explains to us several times a day on the television the path to fantastically easy enrichment with the help of an ordinary brick! "It costs 50 kopecks to make them," he gurgles with delight. "We sell them at 3 rubles 50 kopecks each. We make 60 million of them a year. Multiply that out, subtract taxes, and there you have it—your profit of R100 million a year!"

Very nice, but where did these absurd profit norms suddenly come from? How does it become possible to make something for 50 kopecks and then sell it for 3 rubles 50 kopecks, at seven times over the outlays?"

One time on Radio Freedom I heard about an entrepreneur who, by organizing distribution of fruits and vegetables to the stores of many of the world's countries, provides customers with a fabulous wealth of choice and guarantees the quality and freshness of the goods (precise accounting of the entire dynamics of demand in every

store and shop). He gets only 1 percent profit for his activity! And he is pleased with it, because he enjoys an enormous income due to the scale of the commodity turnover, reliability, and the low level of nonproductive expenditures. And in the meantime our spoilers of food products, our creators of unsanitary conditions—our state merchants—remain poor and pitiful, getting nothing out of their 25-percent commercial markup.

Here are some figures that flashed through the press. The cost of producing a kilogram of grain in a sovkhoz is 1 ruble 30 kopecks. It is sold to the state for 8 rubles. And then a loaf of bread comes out of the oven costing as much as 40 rubles. Such are the "jack-ups," such is your "world level."

And that's the way it is everywhere now—in industry, in transportation, in communications, in services. Systems that can seriously compete are not being established anywhere—competitors are being strangled, they are being devastated, and physically crowded out. Our industrial monopolists pound on the government's door with their fists, demanding cheap loans, subsidies, investments, high tariffs for foreign competitors (as was the case with alcohol), they threatened to halt production and technical progress and to do other terrible things, while at the same time "Independent experts share the opinion that state enterprises inject enormous profits into the prices of their products, profits that exceed their need for capital investments by a factor of approximately three (!)" (KURANTY, 12 September 1992).

They "inject" into the prices, but alas, they do not then invest into production, and why should they make the effort, when almost every enterprise in our country is a monopolist in its sphere, and is able to dictate any prices? Including ones that exceed those notorious world prices by several orders of magnitude. Not in dollars, of course, but in rubles. But it is in rubles that we receive our wages. Such that we are unable to break through to the world market through the screen of monopolists standing shoulder to shoulder, and we are unable to learn what things actually sell for out there.

Nor does it appear that Gaydar's government is able to penetrate through them to achieve its cherished stabilization. And so it is forced to adapt ("politics is the art of the possible"), to maneuver, to do not what must be done but what is possible to do, what the real bosses of our lives allow it to do, and as consolation, to compose theories capable of elevating this ruinous path and these half-baked measures to the rank of high economic strategy.

I am not suggesting that the fully professional people who make up the team that is conducting the reform with its hands tied do not understand, for example, the key role being played by changes in the forms of ownership (primarily of land), that they underestimate the role of demonopolization and free competition, or that they fail to recognize the importance of declaring an immediate war against corruption and organized crime. I also feel that they have an excellent grasp of many other things that we have already become bored writing about but without which the reforms will never get off the ground. They understand, but they are doing almost nothing in these directions. Why? Do they despise our people? Have they sold out to the CIA? No, of course not. They love the

people, and if they are going to sell themselves, it would probably be not to the CIA but to customers at home. They are traveling this one road for a simple reason—all others have been blocked tight, while all stones and barricades have been removed from this one—go for it! Movement in this direction is not frightening to the bosses of our lives. As long as all other processes leading to a real market are kept in check, freedom of prices is precisely what they need. It is even much to their liking.

But what about you and me?

Recently the newspapers carried some "joyful" news, "Prices and customers are adapting to liberalization...." Joyful—that goes without saying, but for some reason when I read this sort of thing, I can't help recalling the story of the gypsy who tried to teach his mare to live without feed. If you remember, the mare never even came close to getting used to it—it died. As for what will come of trying to adapt the CIS to world prices, it is hard as yet to judge, but.... Japanese experts who have studied the progress of our reforms offer the Russian leadership three specific pieces of advice:

1. Don't be in such a hurry to privatize the biggest giants; instead, establish more midsized and small private businesses as quickly as possible in order to develop competition.

2. Keep prices under control until this competition produces results.

3. Don't lift controls on fuel prices....

One probably shouldn't accept everything from the Japanese indiscriminately, but it would seem to make sense to give some thought to such recommendations. Serious thought.

Why should we "not be in such a hurry with privatization"? you ask. Hadn't I myself written long ago that only growth of private ownership can become the sole dependable, objective integral criterion of our movement toward a civilized market? I did, I admit it. But in the form in which it has been imposed upon us, privatization of large enterprises is not increasing the quantity of private property, and it is not bringing its dominance any closer. It is creating a form that is neither private nor state ownership, one in which property is being managed without controls, by people who have no concern for its preservation and multiplication, who do not bear the risk of ruin and who carry no serious responsibility for anything. Such privatization can only force us into stagnation worse than in Brezhnev's time. This is why there is good reason for focusing on swift privatization of, in the beginning, midsized and small businesses (while breaking up the giants). This will create the necessary "critical mass" of real private ownership, place the mechanism of competition into motion, create a climate in which private property will become a sacred and permanent institution, and force establishment of the necessary legal base, reinforced by qualitatively different law enforcement organs (property owners will become a force, and they will put some effort into dependable protection of their interests). All other forms of ownership—state, joint-stock, collective—will become real and productive only on the basis of private

ownership already in place, only when they are brought into being by it, and are able to rely upon it.

In order not to slip back into the old form of criminal, bureaucratic monopolism, we need to give some hard thought to whether we can maintain control over prices, and precisely how and under what conditions. What we probably need to do is select, from among the resources listed above for regulating internal prices that all states utilize (including ones with a real market), those which are best suited to the conditions in our country today, and place them into motion precisely, professionally, and then carefully observe the results. The "genie" has of course already been let out, and we do have to learn to live with him.

And as for the third recommendation offered by the Japanese, I believe we should accept it without a second thought. We need to put oil extracting and oil refining industry back on its feet. And quickly. But the exhausting race for the mirage of world prices will do nothing for it. On the contrary, instead of gold, it will return to the sector a rain of devastating hyperinflation. We need to think about the forms of privatization, about concessions, about joint use of deposits, and about investments (primarily of foreign currency), tax benefits, subsidies. But whatever we think about, we must do so on the basis of firmly and stably set prices, in a situation of strict control over exports. If we fail to "stand to the death" at this last "line of defense," we will continue to plummet toward the Earth in our creaky airplane until we crash.

The myth that trading at world prices in the domestic market is our salvation is a delirious, dangerous myth. Only a state that has attained the world level of development in all spheres of production is able to conduct such trade (even from a purely theoretical standpoint). This is in fact something that we should strive for, and we should spare neither time, nor effort, nor fantasies for this. Except that no one has yet been able to attain this level in all spheres right away, and it would be generally laughable to try to "introduce" it by decree. Anyone who tries doing this risks repeating the woeful experience of that gypsy, while you and I risk suffering an even more unfortunate fate than his mare.

Social Security Head on Latest Pension Adjustments

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[Article by A. Nazarov, department head of the Social Security Ministry, under the rubric "Social Protection"; place and date not given: "Pensions: for Whom and How Much"]

[Text] First about maximum amounts. Right now, according to the law that has gone into force, the smallest old-age pension is 2250 rubles [R] (increased now by a factor of 2.5). The maximum pension has risen accordingly, to R6750. Even these sums, with increases for seniority of up to 40-45 years, will increase, though, to R2700 and R8100, respectively. That is, as before, seniority affects the amount of pension.

For instance, it takes 25 years for men and 20 years for women to get an old-age pension for invalids of World War II and their dependents, as well as pensions related to difficult working conditions. Especially hazardous working conditions (in high-temperature shops and underground) reduce the total seniority required by five years (20 for men, 15 for women). It is also significant that for every year of total labor seniority over what is required, the minimum pension increases by 1 percent, but not more than 20 percent altogether. Thus, with 40 or 45 years' seniority (for women and men, respectively), the minimum pension is not R2250 but R2700 (2250 + 450).

Today the mechanism for adjusting old salaries remains in force. It consists of increasing the actual salary used to calculate the pension by a specific coefficient. Moreover, the coefficient depends on the year of payment of the salary being used to calculate the pension. If, for example, the year chosen is 1985 and the salary is R220, then now, in its "modernized" form, it would be R1540 (220 multiplied by the 1985 coefficient, 7.0).

For salaries from 1971 and before, the coefficient is 11.2. For 1972 it is 10.9, for 1980 8.5, for 1981 8.2, for 1986 6.7, for 1937 6.4, for 1989 5.8, for 1990 5.5, for 1991 4.3.

Calculating pension size is a complicated process that takes into account many factors and nuances of each labor biography. Moreover, the law of 21 October provides for two types of pension indexation: either by increasing the actual pension by a factor of 2.5 or by increasing the salary from which the new pension will later be calculated by a factor of 2.5. We use the latter, for instance, when 1991 or 1992 salaries are considered in assigning the pension.

To illustrate the mechanics of the computation, let's look at a specific example. Citizen Ivanov, with 40 years' seniority, decided as of 1 January 1993, to retire on general grounds. His salary for the last two years was as follows: for the 12 months of 1991, R7200; for the 12 months of 1992, R84,000. First let's define Ivanov's salary for purposes of calculating his pension. Effective pension legislation provides for the possibility of calculating the salary for pension assignment either out of any 60 months of consecutive work or for the last 24 months of work, and for individuals retiring in 1993 also from the last 12 months. Ivanov gave his salary for the last two years, but a pension could be calculated for him from the last 12 months. Let's see which is more advantageous to him.

If we take his salary from the 24 months, then the total salary for pension calculation is R161,440. What does that come from? $R30,960 (7200 \times 4.3, \text{ the 1991 salary modernization coefficient}) \times 2.5 \text{ (the coefficient for increasing salary in accordance with the 21 October law)} = R77,440$. In that way we get a corrected salary for 1991. We add to it his actual salary for 1992, which does not get multiplied by a factor of 2.5 according to that same law, $77,440 + 84,000 = 161,440$. The average monthly salary for pension calculation is $161,440/24 \text{ months} = R6726$.

If we take his salary from the last 12 months, then the average monthly salary is $84,000/12 = R7000$.

Thus, it is more advantageous for Ivanov to take his salary for the last 12 months of work, R7000, rather than for the last 24 months. Now we can determine the size of his

pension. With 40 years' seniority, that would be 70 percent of his salary (55 percent for the 25 years' seniority required for a full old-age pension, plus 15 percent for 15 years' additional seniority beyond the 25 years); 70 percent of R7000 is R4900. That is the amount of Ivanov's pension as of January 1993.

New correctives are being introduced into the 21 October 1992 law with respect to increasing pensions by a factor of 2.5. We would note that it is not the maximum pension approved by the law of 3 April 1992 that is subject to increase but its actual amount (without the restriction passed at the time of a maximum equal to two minimum wages).

An example. Citizen Petrov, with 45 years' seniority, was given an old-age pension as of 1 May 1992, based on his "modernized" average monthly salary of R4250. During that period the minimum pension, depending on total seniority, equaled R900-1080, and the maximum R1800-2160. The actual amount of the pension (that is, what the pensioner should have been receiving if it weren't for the restriction on the maximum) totaled R3187.50 (75 percent of R4250), but his pension was set at R2160 (that is, the upper ceiling at that time). As of 1 November 1992, the actual amount of the pension increases by a factor of 2.5: $R3187.50 \times 2.5 = R7968.75$. Let me remind you that as of 1 November the maximum pension for men with 25 years' seniority was R6750, and for 45 years' R8100. Inasmuch as Petrov's actual pension does not exceed the new maximum for 45 years' seniority (the maximum = three minimums), Petrov's pension is set at the actual amount of R7968.75.

Another example. The actual amount of Sidorova's pension with 40 years' seniority, plus a supplement for a dependent (a 10-year-old son), came to R3600 ($3000 + 600$). This amount was limited to the maximum of R2760 ($2160 + 600$). As of 1 November 1992, the actual pension increases by a factor of 2.5: $3600 \times 2.5 = R9000$. The maximum pension for women with 40 years' seniority plus a supplement for one dependent is R9600 ($8100 + 1500$). Inasmuch as the actual pension increased by a factor of 2.5 is less than that amount, Sidorova will receive R9000.

Each pension for war invalids is increased, according to the same rules, by a factor of 2.5.

Example. Up until 1 November, a second-group war invalid received a disability pension of R2700 and an old-age pension calculated on the basis of his "modernized" salary of R6000 with 45 years' seniority in an amount limited to the maximum of R3690 ($R3240$ is the maximum old-age pension for war invalids, for whom it is set at the level of three minimum pensions, including, according to the law of 3 April 1992, an increase of R450 for being a participant in World War II).

The actual old-age pension for this war invalid was calculated: $R4500$ (75 percent of R6000) + R450 (increase as a World War II participant) = R4950. As of 1 November 1992, the amount of his pension became: for disability, 6750 (2700×2.5)—the pension increase according to the 21 October law, for old age, the actual amount of $R4950 \times 2.5 = R12,375$. This amount is limited to the maximum with 45 years' seniority of $8100 + 1125$ (the increase for a World

War II participant). The total is R9225. So the total for the two pensions is $9225 + 6750 = R15,975$.

We have tried to sort this out on the basis of examples from the new pension law. I repeat, pension calculation is rather complicated, especially if salaries for 1991 and 1992 are taken into account in their computation. I would also point out that the law envisages, as of 1 February 1993, a review of the minimum old-age pension once every three months and of all other pensions on that basis. Any change in the price index over the preceding quarter will be taken into account.

No matter how much they wanted to, the social security organs could not have set a new pension for all pensioners (there are about 35 million of them in Russia) before the November payment. Therefore the Russian Social Security Ministry passed a decision to pay in November two and a half times the pension each person received in October. If it turns out that in fact the amount of the pension should be greater than the mechanical increase by a factor of 2.5 yields, then the underpayment will be made up in December 1992. Therefore our pensioners have nothing to worry about: they will get everything they're entitled to. Moreover, there is no necessity to appear in person at the rayon social security department. In implementing the new law, workers in the social security organs will be reviewing all pension cases without any application or reminder from the recipients.

Our Information

A. Nazarov is a department head of the Russian Social Security Ministry.

Pension Fund Deputy Objects to Government's Reform Proposals

934104631 Moscow *RABOCHAYA TRIBUNA*
in Russian 11 Dec 92 p 2

[Article by Irina Kretova: "What Does Gaydar Have His Eye on When Hinting at 'Stray Billions' for Pensioners?"]

[Text] During his speech at Russia's Seventh Congress of People's Deputies, the acting government chairman, Ye. Gaydar, said that enormous free assets of Russia's Pension Fund (more than 200 billion rubles) are in commercial structures and that is why it is impossible to direct them toward the solving of social problems.

Here is what Yuriy Ivakin, first deputy board chairman of Russia's Pension Fund, thinks about this.

As far as I know, entirely different amounts—700, 528, 421 billion rubles—were mentioned until recently. All of them were "born" in the depths of the Ministry of Finance and were not supported by any sound calculations.

Concerning the fund's use of these assets in commercial structures, it is sufficient to visit Russia's Central Bank located on October Square in Moscow and look at account 807. There are no secrets in this matter and, moreover, there is no desire to conceal.

What does the amount of 200 billion rubles represent for the fund? It is the monthly requirement to pay state pensions to 35 million pensioners. What do you think? Should the Pension Fund have such a reserve? The 1992

work experience shows that our unpredictable country should certainly have such a reserve. The indexing of pensions is set for February 1993. This will require half as much again of the monthly amount. Where will it be possible to get it? The bank? Or, perhaps, the "kind" Ministry of Finance will take pity on the old people at that time and return the assets from the budget which has a deficit of more than a trillion rubles?

It is impossible to forget that the Pension Fund has today become the real, if not the only, guarantee of material support by the government for old and disabled citizens.

The proposals on reforming pension support and decentralizing the Pension Fund's assets, which were contained in the government's program and several speeches during the Congress, are causing a great deal of concern. I think that their practical realization would lead to the destruction of the state pension support system and inflict a serious blow on the pensioners' social protection.

Relationship Between Unemployment, Economic Conditions Examined

934A0462B Moscow IZVESTIYA in Russian 11 Dec 92
Morning Edition p 2

[Article by Aleksandr Kotlyar, doctor of economic sciences and professor: "While There Is a Deficit, Unemployment Is Not Terrible"]

[Text] What we acutely lack today is experience in managing employment when there is a shortage of jobs. Yes, each of us is psychologically unprepared to think of himself as unemployed. It's as if this general unreadiness also conceals the main danger: society can "slip" into an abyss of massive unemployment from which it will be extremely difficult to extract itself.

Does an "acceptable" unemployment exist in nature and how can one determine its size? Calculations show that approximately 1.5-3 percent of workers are constantly unemployed in connection with a shift in jobs. With these scales, one can consider it a normal movement in the labor market caused by natural costs.

The forecasts, which promise us an avalanche of unemployment that will exceed permissible values multifold, have fortunately not proved to be correct. From January to November 1992, the number of unemployed registered with the employment service grew from 61,000 to 400,000. By itself, the indicator is not great—approximately 0.5-0.6 percent of the total number employed in the national economy and 0.4 percent of the working-age population. However, there is no basis for self-complacency. A many-millioned mass of hidden employment—the internal manpower reserve retained in enterprises from past times—hangs like a Sword of Damocles over us.

The critical nature of the ripening situation dictates a need to develop an employment policy that would take into consideration the distinctive Russian feature of the processes and phenomena in this area.

In the West, the exhaustion of the market's capacity, when a further expansion of employment would mean the overproduction of goods and services and, this means, a reduction in efficiency, is the only economically "normal" basis for unemployment.

Our economy with its deregulation and low efficiency is free of this factor—our market's capacity during the foreseeable future is far from being exhausted. Consequently, there are no insurmountable obstacles to establishing new jobs for released workers.

This does not mean that the threat of unemployment does not exist. The economy's reorganization on market principles will inevitably entail labor and production intensification processes, the closing of inefficient enterprises and structural changes in the national economy. All this will also cause changes in the employment structure which will be attended by releases. It is here that a danger lies in wait. If the masses of released people are not redistributed regularly and effectively to new jobs, unemployment will inevitably arise as a consequence of the disagreement between releasing and hiring processes.

In order to understand this distinctive feature of Russian unemployment, let us turn to the experience of Sweden where the absolute economic limit for expanding employment revealed itself very recently.

The Swedish model for regulating the labor market engaged the imagination. The 1.5-2.5 percent unemployed (you would not call this unemployment), extremely moderate inflation and high scientific and technical level of production were undoubtedly an achievement. During 1992, however, this prosperity collapsed. The unemployed level came close to 10 percent (six percent completely unemployed and four percent—public works, retraining, etc.).

The policy of common wages (or, simply, the socialist principle of "equal pay for equal work") and the limitations on the amount of profit were "guilty" of this. In accordance with the social democratic government's recommendations, firms used their income to expand jobs and solve the unemployment problem in this way. This gave birth to a crisis both in the country's economy as a whole and in the labor market.

In Russia, the absolute limit on increasing employment is extremely far off. The offering of goods is very low; this prevents a struggle for the customer or client and inflates prices. Under these conditions, each work position providing a quality commodity or service should be retained and multiplied. This will also permit an increase in production. The normalization of the commodity market is only possible on this basis.

With the adoption of the necessary decisions in the economic area (antimonopoly measures, privatization, taxes, etc.), the process for developing business activity in Russia is exceptionally favorable.

One should also not close one's eyes to what is becoming evident—the management of social and economic processes by one monetary macromethod will not permit the situation to be kept under control. One must use the capabilities of state labor-market management more

actively within the framework of a social partnership with employers and the renovated trade unions.

It also would not hurt to use the set of economic mathematical models, which scientists have developed to permit the consequences of adopted decisions on reforming and regulating the economy to be analyzed, in order to select the most rational strategy for managing the labor market.

According to the calculations of specialists, for example, chronic unemployment amounting to 10-25 percent of the number employed threatens Russia with the landslide-like privatization. Knowing this, it is perhaps necessary to prefer more moderate privatization rates, an easing of the tax burden, and more energetic foreign economic activity (especially with the CIS countries).

Although the prevention of massive bankruptcies is an urgent task, the practice of complete financial support for enterprises, with whose help unemployment is being kept at an artificially low level, is hardly justified. These measures can only lead to a jump in unemployment in the future. A gradual reduction in financing inefficient state enterprises will permit the incomes of the employed population to grow and will establish reserves to increase payments to the population and reduce the labor supply in the labor market and unemployment.

Petersburg Exchange Official on Voucher Trading
934C0492A St. Petersburg VECHERNIY PETERBURG
in Russian 25 Nov 92 p 2

[Interview with A. Marchenkov, by N. Andreyeva-Ross, under the rubric "Voucher Petersburg"; place and date not given: "If You're Going To Sell It, Sell It on the Exchange"]

[Text] The exchange is an amazingly sensitive instrument! What a boom there was early last year: exchanges popped up, in rapid and close succession, and then they began to disappear just as rapidly. Indeed, what were they for if there was nothing to offer in trade?

Now a presidential edict has appeared on the introduction of privatization checks. And no matter what people have said about vouchers, it is with them that the securities market began to shape up normally in Russia.

"From the standpoint of someone involved in the exchange, I consider two government decisions incredibly successful: first, the issue not of a personal check but of one payable to the bearer, which simplifies all operations with the check; second, the presentation of the opportunity to buy and sell the voucher freely," says one of the leading specialists of the Petersburg Stock Exchange, A. A. Marchenkov, deputy department head for quotations and listings.

Today, when people are receiving their checks but there still won't be anything to invest them in for a while, the issue of selling them has become quite real. Quite a few people have turned out to want to sell their check. And if that's so, we cannot let this process go unnoticed and we want to offer some advice to the people of the city. If you are going to sell it, then you'd better do it in a civilized way, shouldn't you? The easiest of all would be to carry out this operation at the stock exchange. But how?

That is what we talked about with A. A. Marchenkov.

[VECHERNIY PETERBURG] Judging by the indicator board, the voucher market today has gone crazy. The price of a check suddenly leaped to as much as 7500 rubles [R]. How do you explain this? And can you predict what the price will be in the coming days?

[Marchenkov] Just an hour ago, before trading opened, I didn't know the price would go past 7000. No one knew, no one could. Because the price in the market is determined by supply and demand. Why did this happen today? I can tell you why: the number of vouchers offered for sale today was fewer than the number buyers wanted. The market is unpredictable. In an hour some buyers may leave and the price situation will change immediately.

[VECHERNIY PETERBURG] If I want to sell my check, then I have several ways to choose: go to a bank and sell it there; sell it at a "flea market" or in a commercial store where you see signs like "we buy vouchers"; and finally, at an exchange. You advise the latter, of course?

[Marchenkov] Of course, and not because I'm a broker. But because that way will almost certainly be the most profitable for you. Anyway, all the buying and selling options you listed are based on our trades.

[VECHERNIY PETERBURG] Let's say I decide to go to you. What exactly do I have to do?

[Marchenkov] You have to come to the trading floor, which is open every day except Saturday and Sunday. Trading starts at one o'clock, but it's better to come earlier. Buy a ticket at the cashier's. In the beginning it cost R25, but since 23 November it's been R100. After that you can participate directly in the trading on a par with the broker.

But the securities market requires high qualifications because in a split-second you have to decide whether or not to sell at the given price, although sometimes you do see a novice who sizes up the situation immediately and gets his bearings. But lots of people are lost. By the way, you don't have to participate in the trading the first time you come. You can stand outside the barrier for a day or two without buying a ticket and take a good look, get used to it.

[VECHERNIY PETERBURG] Aleksandr Aleksandrovich, this scenario still seems better suited to someone trying to do business by buying and selling vouchers. Let's say I want to sell just my one. Or three or four—from the members of my family. And I'm not going to come here again. I just have this one-time desire.

[Marchenkov] The stock exchange takes that kind of desire into consideration, too. I'll tell you what we've done. In the foyer of the operations hall there are representatives of brokerages with which we have contracts. There's a counter. Behind the counter there's a broker. You come (don't buy a R100 ticket, since you yourself don't plan to participate in the trading) and go directly to a broker—any broker, whichever one you like. We have as many as 10 brokers working, and each one has a first-category certificate issued by the Russian Ministry of Finance after passing a very difficult exam. The brokers are experienced, qualified people, and you'd do better to trust them. The broker will do everything for you.

[VECHERNIY PETERBURG] I come to a spoken agreement with the broker?

[Marchenkov] Of course not. The deal has to be written up formally. You make a contract order. Signature. Seal.

[VECHERNIY PETERBURG] And the broker will sell my check immediately?

[Marchenkov] Not necessarily. If the situation is advantageous for you, he'll sell it immediately and settle up with you then and there. But if the price today isn't advantageous, then the broker—after coming to an agreement with you—will take a timeout and wait for the next two or three days, or maybe even a week, for the optimal price that suits you.

[VECHERNIY PETERBURG] We Soviets aren't very used to people fussing over us or trying to please us. So if that's what happens at your exchange, then the price for the broker's services must be substantial.

[Marchenkov] A pittance! 1-3 percent of the amount of the deal (the price your check is sold for). The main task for brokers now is winning clients. There's a battle over clients. Hence the attitude toward him.

[VECHERNIY PETERBURG] But could it happen that a broker would want to make a little extra off his client: buy his voucher cheaper so as to sell it right there, at the exchange, for more?

[Marchenkov] No. After all, the broker has no right to act in his own name, but only as your intermediary. The broker who sells or buys on the exchange does it in the name of the client. If you and the broker have a contract, then when your check is sold in trading, the letter B has to light up on the indicator board, which means that the deal was made by a brokerage. We keep careful track of where there's a broker and where the citizen himself is doing the selling.

[VECHERNIY PETERBURG] Thank you, that's all clear. I think your explanations will help many citizens whom life is forcing to sell their check to feel braver at the exchange and not to be afraid they're going to be cheated here.

[Marchenkov] Cheated? What are you talking about! Quite the contrary. We can see very well who it is that need has forced to bring his check to the exchange. The broker figures these things out instantly, better than any psychologist. I myself have been a witness to a broker giving a signal: come on, let's raise the price this one time, let's buy it a little dearer, let's help the man out. Who will pay more?

[VECHERNIY PETERBURG] Yes, the stock exchange is an amazing phenomenon. It makes you feel like coming here and trying to sell your voucher.

[Marchenkov] Even though I am a broker, I would tell everyone: if life is not forcing you to sell, then don't! Take your time. It's not worth parting so easily with the chance to invest your check profitably. And in our unpredictable state, you might well find yourself with just such a chance.

Petersburg Soviet Appeals to Yeltsin Over Security Chief Appointment

934C0492B St. Petersburg VECHERNIY PETERBURG in Russian 21 Nov 92 p 1

[Text of letter from St. Petersburg Municipal Congress of People's Deputies: "To B. N. Yeltsin, President of the Russian Federation"]

[Text] Honored Boris Nikolayevich!

The session of the Municipal Congress of St. Petersburg, having deliberated over the appointment of V. V. Cherkosov as St. Petersburg and Leningrad Oblast Chief for the Russian Ministry of Security and the public protests that have arisen in connection with this appointment:

1. Expresses its concern at the appointment to this important position of V. V. Cherkosov, who participated as an investigator in criminal cases based on Articles 70 and 190 and in fact in political trials against dissidents in the 1980s in Leningrad.

2. Requests that you cancel the appointment of V. V. Cherkosov and point out to the leadership of the Russian Ministry of Security the expedience of coordinating such appointments with the Congresses of People's Deputies.

[Signed] Congress Chairman A. N. Belyaev
20 November 1992

Property Committee Deputy on Challenge Facing New Enterprises

934A0372A Moscow IZVESTIYA in Russian 27 Nov 92 Morning Edition pp 1, 3

[Article by Petr Mostovoy, deputy chairman of the State Committee for the Management of State Property: "Owners Create the Market"]

[Text] Congresses, conferences, and meetings are regular things these days. However, a conference of managers of joint-stock and privatized enterprises is a unique phenomenon for Russia. It is a congress of people who are today dealing in a practical way with all the problems involved in the change in ownership relations.

Credit Conditions Will Be Strict

Just yesterday they were workers at state enterprises who used to receive more than enough instructions and directives, and they knew that it was always possible to appeal to someone higher up, in the government, or the president and Supreme Soviet, and that it was always possible to ask for something—additional funds and assets, credit on favorable terms, and so forth. Today, they can hope for no help from outside, and when unexpected situations arise they must rely on their own resources. Meanwhile, more questions for which there are still no answers than there are answers to those questions have been building up.

One such question is credits. State enterprises receive them, but how will it be with a joint-stock company? It would seem fair to place everyone on an equal footing. But in this answer there is a certain amount of cunning: a state enterprise cannot take money from any other source to replenish, for example, circulating capital; it must earn it. In this a joint-stock company differs in a fundamental way

from a state enterprise, it can increase its authorized capital and announce an open share subscription. Any entrepreneur can invest money there, and purchase shares and count on dividends, it is the direct route to a market economy. It is clear that entrepreneurs will go to enterprises that are the most profitable and operating most efficiently, and look promising. The rest will have to think about how to make their joint-stock company just as attractive for investors.

Of course, some of the newly formed joint-stock companies will nevertheless have to be given loans. For we have capitalized all enterprises, not just the profitable ones. The investment climate in the country is today obviously unsatisfactory, and everyone understands this. However, it is necessary to try to define adequately clear criteria for selecting these joint-stock companies, and keeping a sense of the measures. Otherwise all the benchmarks—are they state or private enterprises or joint-stock companies—will be lost, and everyone will be holding out his hand. The conditions under which privatized enterprises will be granted loans should be quite strict and calculated definitely to improve the economic indicators for their activity—smaller numbers of workers, raw materials stocks, and equipment in warehouses. In short, real measures of sanction, as they say, should have been put in place. And there is no need at all to wait for bankruptcy before starting this work.

Another aspect of the problem is that of finding a place in market, and this means, in life. All the collectives at state enterprises have grown up in an environment of stable and firm economic links, and each one knows its own suppliers and customers. Today the situation is changing rapidly every day, and perhaps this is the most severe psychological test for today's enterprises. We often now hear from various mouths two mutually exclusive opinions. One is put forward by former workers in ministries and concerns. They used to work and were able to work only under conditions shaped earlier, and with ties forged over many years, and the meaning of their lives and efforts have been and still are to prolong their existence. And so they claim that if they change this the entire economy will collapse and that will be the end of production.

Is this really the case? Today the question of the life and death of an enterprise is essentially its ability to produce output for which there really is demand and that will be bought at the price it is really worth. If today an enterprise produces output for which there is no market, this is an economic crime, destruction of human effort and minds, not to mention materials, electric power, and so forth. This would seem to everyone to be a common sense viewpoint. Nevertheless, everyday we encounter assertions that both today and tomorrow it is necessary to produce what we were producing yesterday. A little better, slightly different, but basically the same as yesterday. Regardless of whether or not a society that is in acute need of change really needs it.

The Military-Industrial Complex: Produce Only What Is Needed

The most graphic examples of this kind are seen in the enterprises of the military-industrial complex. We often

hear from many leaders that the military-industrial complex has totally ceased to exist. And from people who are aware of and really versed in production problems. But it does not at all follow from this that they are in a position really to evaluate the relative importance of the problems that face the country's economy overall, or even what the country today needs of the prior military potential.

The political climate in the world is changing in a fundamental way. And in large measure precisely because the many years of the arms race and increased production of military equipment overstrained the resources of even the most developed countries. Even the United States has now had to deal with a growing national debt and a number of other negative phenomena in its own economy. The reason is the same—intensive development in those spheres of the economy that do not provide any return in social circulation from the output produced or satisfy the vitally important needs of the nation. The fact of spending on defense is spending for nothing, essentially a destruction of things. Everyone who is employed in the utilization of military equipment is perfectly well aware that this is not a figurative comparison but just an ordinary statement of a fact.

This applies most of all to our country, because of all the superpowers we were economically the weakest. All the efforts of the nation were spent on military production, and all reserves went for defense needs and ensuring strategic interests. The interests of the consumer, the rank-and-file citizen, were always in last place. It is our sacred duty today to halt the production of everything that is not absolutely necessary. There is a mass of questions here, and the experts are grappling with them in real earnest. But it is important that a decision be found as quickly as possible, otherwise we shall for months, and even years, be squandering the national wealth for nothing. We must therefore resolve problems of conversion and privatization in the military-industrial complex as a priority.

Of course, in order to carry out conversion, capital investments are needed. Here we return once again to the problem of loans on preferential terms. It is essential to make more extensive use of investment tax credits. This road should be accessible to both state and private enterprises, but with the priority, naturally, for the state enterprises.

Today there are a multitude of defense enterprises that possess the necessary capacities, high technologies, and skilled personnel who could quickly—literally within a year—switch to the production of the civilian output without which the national economy cannot manage. Take just freight car production. The Riga plant, which provided the lion's share of Union requirements for electric trains, has now finished up outside Russia. A program is already being implemented whereby production of electric trains is being done by a joint-stock company with the participation of former "defense" enterprises. I would like to emphasize that the possibilities of conversion are essentially unlimited, the problem lies in the flexibility and inventiveness of enterprise managers in the military-industrial complex, and their leading experts.

It is possible to gain time for conversion processes and obtain the necessary funds if exports are organized, at least

for that part of output that was previously of exclusively strategic significance. Exports of arms and strategic technologies exist throughout the world, and they are regulated and restricted; there are some things that no country would agree to export. But there is also "defense" output that can and simply must be exported, if only to justify the existence of the sector.

Wages Should Rise More Rapidly Than Prices

When we ask ourselves the question of how in general it is possible to extricate ourselves from today's situation of reciprocal nonpayments and falling demand because prices for output and goods are rising more quickly than wages, there can be only one answer. While prices outstrip wages it is essentially inconceivable to solve the problem. The exact opposite should happen—wages should rise more quickly than prices. Only when this happens will effective demand increase and loans be repaid. But labor productivity—the indicator that directly reflects production efficiency—must also grow more quickly than wages. It is important to balance on a fine edge: Wage growth rates must be higher than prices but lower than the rates of output produced expressed in value. It is essential to hold to this "middle ground." Today only the private owner has the entire set of opportunities to make this kind of improvement in efficiency. The state enterprise was formed by the will of the labor collective, which has no interest either in reducing personnel or proportional restraint in wage increases.

Joint-stock companies can obtain support both from the state and from outside entrepreneurs. But for this they still have to show that they are able to maintain the necessary relationship between wages, prices, and the volume of output produced. In other words, they must show that the manager is competent and able to devise tactics to behave in the market. Today this is the main secret in managing an enterprise and the chief guarantee for the investor.

There is another aspect to the problem. We have said that today prices are rising more quickly than wages. Paradoxical though it may seem, one of the reasons for this disproportion is to be found in foreign trade policy. We have created a situation in which prices in the domestic market are rapidly approximating world prices. But world prices in other countries exist with quite a different wage level, which reflects a different level of income for the population and the way in which they work—their labor participation in the process of production, capital investments, and so forth. By opening the border when there is a lower level of wages and prices are still below world prices, we are systematically selling off our raw materials and articles at dumping prices. And this means that we are not only not earning today what we could earn, but by upsetting the equilibrium established in the world market we are depriving ourselves of opportunities tomorrow to obtain products for ourselves at real prices. An in-depth and well-considered policy of customs tariffs is need to change the situation in the country.

This policy should deal with two tasks: first, to create a stable gap between prices in the domestic market and in the market abroad. Customs tariffs in the composition of prices in the domestic market should ensure for similar products prices adequate to world prices. In this way it will

be possible through tariffs to regulate prices, ensuring an optimal relationship between citizens' incomes and the value of goods.

Second, this will make it possible to resolve more successfully the task of structural reorganization of our economy, which today is aligned on raw materials. Today, unfortunately, tariffs are not differentiated with respect to raw materials and products from the processing industry. If they were minimum for technically complicated articles and maximum for raw materials, the situation would be quite different. Introducing this what I would call small-scale protectionism with respect to the domestic industry could ensure a normal reproduction process for the processing sectors. Unfortunately, it must be said that this problem is so acute today because no one has seriously grappled with it. Moreover, very palpable trends exist toward a further weakening of economic regulating tools.

Trade Without Monopoly

Trade, both domestic and foreign, is a special subject. The previous system of state trade predetermined output beforehand. It was a question precisely of distributing output, not trading in it. When the system collapsed, and this was literally our first step toward a market economy, a curious situation arose. A long chain of middlemen started to intersperse itself between the producer and the consumer. It has reached different lengths in various commodity markets, but the average length is five to seven links! The result is obvious: Most of the profit from sales at market prices goes to the middleman structures, and trade suffers. The producer, who today more than anyone needs funds with which he should ensure the investment process and production development, receives only an insignificant part of the profit he creates. By the end of this summer the "chain" of middlemen had, according to our information, shortened to two or three links. This is a very positive trend. But while there are more than two links (the second being the independent "wholesaler" who is often necessary and unavoidable), this represents a direct loss for producer and consumer. In a normal market situation there are no more than two links, nor should there be.

Under our conditions, however, even when the "chain" is only two links long this is still no guarantee of efficient trade. A great deal depends on who is operating in the market. Today this is primarily structures that are either private or moving in that direction, but they are the direct successors to former state trade. These structures were monopolies, and they have remained so. They still operate on the same principles and with the same mentality, and as monopolies they retain a large share of profit for themselves. The important task for the state today is special antitrust measures in trade, including trading in production-technical output.

But there is also a task here for the commodity producer because monopoly in the market can be broken most simply and most quickly by creating alternative trade. The most profitable way is for the producer himself to develop it. He will invariably gain by creating his own company network of stores. There are many instances of this, and I would like to cite an example that seems to be simply brilliant. It is the cardboard and rubberoid plant in Altay Kray. So what can a medium-size enterprise employing

only about 3,000 people do? Today construction materials are so expensive that the buyer often refuses them, mass demand is falling, and as a consequence output volumes are contracting. But the Altay enterprise is constantly building up its output and selling it at prices palpably lower than other similar plants. And this is just because two years ago it put its own marketing network in place. And it did it very efficiently. The fact is that in order to produce ruberoid and some other products the plant needs waste paper and secondary raw materials. The company network simultaneously supplies both the sale of output and the collection of raw materials. For this reason delays in production have been significantly reduced. Earlier the plant refused to join a concern in which the other enterprises were hoping for steady sales and supplies. Today the plant is earning so much that it is able to continue its social program and pay its workers well, and at the same time build a new shop and purchase machines to produce new roofing materials. Meanwhile, it is selling ruberoid to America!

This kind of "capture" of the market by a producer and competition with the middleman can only be welcomed. It is understandable that this kind of policy is lethal for the middleman, who does not have his own means of existence.

For some reason yet another problem has been extensively debated—to whom will the shares of privatized enterprises belong? And the question is being raised most often by enterprise managers, the so-called "corps of directors." It seems to me that for the manager of a joint-stock company what is important is not so much who is the owner of the shares; these are thousands of owners who buy several shares with their checks, and two or three dozen major owners, or the state. Complications arise only if shares belong to the labor collective and it actively "pressures" the manager by counterposing its own social demands to economic demands. This really is an impasse situation.

In all other cases managers will always be able to force an enterprise to operate on a unified plan. And he can operate more freely if there are many shareholders and capital is "dispersed." But as a result everything will be resolved according to the degree to which the manager can manage an enterprise efficiently. If he achieves stable profits then he will always find a common language with the shareholders. I think therefore that it is much more important to be concerned about the future of an enterprise rather than forcing it to do or not do something. No one will "force through" anything if production is profitable, or at least not operating at a loss. So that the fears of workers and managers that someone will buy up all the shares "on the cheap" and throw them all into the street is unfounded.

Rostselmash Halts Production, Idling 30,000

934404394 Moscow *Komsomolskaya Pravda* in Russian
8 Dec 92 p 1

[Article by Yu. Bespalov, KOMSOMOLSKAYA PRAVDA correspondent: "And the 'Don' Combine Goes to the Bottom: 30,000 'Rostselmash' Workers Dismissed and Sent Home"]

[Text] For six consecutive decades, "Rostselmash" presented labor gifts to the congresses of the CPSU—

combines beyond the plan. The flagship plant is true to the tradition even now, only today its "gift" to the Congress of Russian Deputies is a dirty trick—"Rostselmash" has come to a complete halt. Thirty thousand workers and employees have been dismissed and sent home. For now, they continue to be paid—more than 10 million rubles daily. These are unplanned dismissals, which have driven many, from idleness and despair, to drink.

One can, of course, in this situation look for ill will on somebody's part, for a desire to put the squeeze on the government, to pour fuel on the fires of political passions. But nevertheless, the main reason for the disastrous situation of the huge plant-monopolist is the collapse of the economic model according to which the plant developed in the last decade; and in this respect, the stoppage at "Rostselmash" is completely appropriate.

"The paradox lies in the fact that all the combines have been shipped to the customer," says the director of production at "Rostselmash," Anatoliy Mityukhin. "In the 33 years I have worked here, I have never seen such a situation. Yesterday a telegram arrived from Starodubtsev: Ship six combines. But we did not find one. Not a one!"

In the past, "Rostselmash" was criticized because it flooded the country with its machines; people complained that our state produced 16 times more combines than the USA, but one-and-a-half times less grain. "Rostselmash" literally thrust "Niva" and "Don" combines on collective farms, threatening the chairmen with terrible penalties. But today all the combines have been swept away—nothing is left. The plant has received orders for next year for 46,000 combines. But where can we make the combines now?

"Rostselmash" has been regularly struck with partial paralysis for several consecutive years now. More than 400 enterprises supply it with parts. The once strong technological chain has been torn to shreds now and, as a practical matter, leaves no opportunity for normal work. And so at the walls of the plants, herds of freaks have recently been gathered together: sometimes "headless horsemen"—combines without cabs; sometimes "bare-foot" creatures—without tire casings. The final blow was dealt to "Rostselmash" by the Kharkov plant "Hammer and Sickle," which stopped delivering motors. This blow to the combine by "Sickle" led to the complete cessation of production.

Six years ago, when "Rostselmash" sharply changed its economic strategy and began production of "Don" combines, we established a "direct line" with the office of the general director Yu. Peskov. Having responded to the questions of the readers of "Komsomolska," Yuriy Aleksandrovich told us that he carefully kept and constantly made use of the complete collection of the works of Stalin. This was a bold and unexpected admission—perestroika had already begun. Peskov explained that what most attracted him in the legacy of Stalin was the phenomenon of the war economy, when, in a few weeks, large civilian plants were transferred to absolutely unprepared sites in the rear and managed to begin production of the best tanks in Europe. The director was not reticent—he had conceived the program for the "Don-1500" precisely on these principles.

Of course, at the end of the 1980's it was no longer possible to transform workers and engineers into slaves, "rousing" their enthusiasm with the ever-present threat of arrest. But, to make up for it, it turned out, it was possible to fetter whole plants with chains that were no less strong. "Rostselmash" gained the upper hand over plants by the hundreds—beginning with the Taganrog combine plant, which was capable of being a major competitor, and ending up with small plants in Russia, Ukraine, and other republics. The newspapers called these plants partners and suppliers, in fact, these enterprises were completely dependent on the flagship plant.

The socialist form of monopoly turned out to be harsher and more ruthless than the capitalist form of monopoly. "Rostselmash" not only forced almost the entire branch to work for it, but did not deal very ceremoniously with customers either.

The combine empire collapsed along with the Soviet empire: "Rostselmash" received 40 percent of its parts from Ukraine. The former "slave-plants" gained their freedom.

Formally, "Rostselmash" became a victim of the crisis of non-payments. Its output now costs very little—the whole plant is on wheels. The "Don 1600" is sold for the price of a small passenger car. But the customers are not rushing to pay up, although the combines they received for the last harvest have already paid for themselves with interest. "Rostselmash" is owed 15.5 billion rubles, and "Rostselmash" itself owes 10.5 billion. But a debt is a debt and this is sufficient reason to "punish" the one, whom it was formerly unthinkable to disobey.

If at the appropriate time the giant combine concern had been created on economic principles, if hundreds of enterprises had been tied to "Rostselmash" not by force but by self-interest, then everything would be different today. Indeed, it is still not too late to move to a normal instead of an inside-out economic model—competitors are not even visible on the horizon. But this is an entirely different song, and the plant's old leadership, I fear, is no longer capable of singing it.

What will happen to "Rostselmash" tomorrow? It can hang on for a while on its old reserves. Over two billion rubles of uninstalled imported equipment alone has been accumulated. But what of the future? Well, the workers sigh, if only a capitalist could be found, who would buy the plant and everything in it and breathe new life into it. But it is very unlikely that wealthy people who can afford such a large entity will appear in Russia anytime soon. Transformation of "Rostselmash" into a joint stock company, it is true, is already under way, but workers are subscribing to preferential shares very sluggishly. It is evident that they do not strongly believe that better times will come here in the foreseeable future.

Land Reform Referendum Discussed Further

Opposition to Land Referendum

934A0347A Moscow *DELOVOY MIR* in Russian
3 Nov 92 p 1

[Article by Nikolay Zimin: "Russian Agrarian Legislators Against a Land Referendum"]

[Text] In the opinion of directors of the Committee for the Social Development of Rural Areas, Agrarian Problems, and Food of the Supreme Soviet of the Russian Federation, there is no need to hold in the republic a referendum on whether there should be private land ownership or not. Valentin Agafonov, chairman of the committee, firmly states that the problem of land ownership in Russia has been solved. In this connection he mentions Articles 11 and 12 of the Constitution of the Russian Federation, the decree of the RSFSR Second (Extraordinary) Congress of People's Deputies "On the Program for the Revival of the Russian Countryside and the Development of the Agro-Industrial Complex," RSFSR laws "On Land Reform," "On the (Private) Peasant Farm," and "On Property," the RSFSR Land Code, and other documents.

People's deputy Ivan Altukhov adheres to the same opinion. He thinks that the eight rights, which the owner of a land plot has—to manage land independently, to build housing, as well as production, cultural, community and other structures and installations, to transfer a plot to the state, and so forth—are quite sufficient for the present times.

In brief, agrarian legislators believe that it is by no means a matter of the existence of ownership rights, but of the fact that organizers of the referendum are encroaching on the last stronghold of the kolkhoz system and are trying to legalize the "buying and selling of land" and to make it a commodity. But committee members believe that this in no way can be done, at least in the next decade.

The set of arguments against land, finally, acquiring its own true owners is not noted for special originality. According to I. Altukhov, in itself the introduction of the institution of private land ownership will not solve our food problems. Furthermore, all kinds of negative consequences are possible: speculation, latifundism (those who now trade in commercial booths and those who stand behind their backs will buy up land); new monopolism, which can arise instead of present state monopolism.

As it seems to me, our readers are fully capable of evaluating the weight and depth of the mentioned arguments. I would like to raise only one question: Are the long-term poverty of our agriculture, which is worn out by monstrous experiments and by the mockery of the peasant's common sense, and its chronic inability to fully feed both the population of the former USSR and of present Russia in themselves not negative factors, which demand that at least part of the land should fall into the hands of a true owner and not of an indifferent temporary worker?

It is difficult to argue with people's deputy Vladimir Zakharov, who believes that "in matters of radicalization of land relations objective caution is needed." However, nor must we endlessly mark time for reforms, or pretend that we engage in reforms

'Democratic Russia,' Radical-Democratic Press Criticized

934A0347B Moscow PRAVDA in Russian 21 Nov 92 p 1

[Article by Nikolay Kozhanov: "Our Land Is Given to Us as a Gift"]

[Text] I do not remember where I read once that in this century since Stolypin's time Russia has been continuously solving the land problem—sometimes in this direction and sometimes in another. And by no means always successfully. Yesterday the Supreme Soviet of the Russian Federation also made a contribution to the solution of this problem, having adopted in the second reading the Law on the Right of Citizens of the Russian Federation to Receive for Ownership and Sale Land Plots for Private Subsidiary Plots, Horticulture, and Individual Housing Construction. Furthermore, a change was made in Article 7 of the Law on Land Reform indicating that citizens, to whom land plots for residential houses, subsidiary plots, horticulture, gardening, dachas, and garages were granted earlier, retain the established right of use, prior to legalization, for ownership, lifetime possession with bequeathal, or leasing.

Thus, as V. Agatonov, chairman of the Committee for the Social Development of Rural Areas, Agrarian Problems, and Food, noted, 32 million Russian families (about 100 million people) can freely use their acquired plots and farmsteads. No one will encroach on them any longer.

In this light the excessive efforts by "Democratic Russia's" zealous supporters of the notorious land referendum seem wasted, to say the least. After all, the overwhelming majority of those who put their signatures in defense of the referendum are the same citizens, whose right to land has already been confirmed by the adopted law. (Of course, we are not talking about potential latifundists dreaming about big land speculations.)

Moreover, in the decree, which puts this law into effect, the parliament draws the president's attention to the "intolerably slow" realization of land reform by executive power. But to judge by the radical-democratic press, only the government seemingly cares about land for peasants, in contrast to the firmly entrenched "conservative" Russian Parliament. In fact, it is quite the opposite, as the deputies demonstrated convincingly.

As always, the topic of the day held sway over members of the parliament. V. Isakov proposed that the question of abolishing the institution of the president's representatives in localities, some of whom actively participate in inflaming political passions before the congress, be included in the agenda. S. Baburin insisted on the inclusion of questions concerning the president's impeachment and release of the persons accused in the so-called "State Committee on State of Emergency affair..." before the trial.

These proposals were rejected. At the same time, as it seems to me, the Supreme Soviet adopted a very important

statement in connection with the forthcoming Russian Seventh Congress of People's Deputies. In this document the parliament resolutely condemns the attempts to aggravate the situation in the country, statements and actions leading to an arousal of hostility and dissension, appeals for the introduction of presidential rule, and other emergency measures contradicting the Constitution. An active search for ways toward constructive cooperation among all branches of power, a respectful dialogue, and a reasonable compromise—this, in the opinion of members of the parliament, can open the way to national and civil reconciliation and to Russia's economic and social progress.

'Democratic Russia' Role in Referendum

934A0347C Moscow NEZAVISIMAYA GAZETA in Russian 20 Nov 92 p 2

[Article by Natalya Gorodetskaya: "We Will Strike at Deputies With a Referendum"]

[Text] "A total of 1.8 million signatures for holding a referendum on the matter of private land ownership were collected," Igor Yakovenko, cochairman of the Republican Party of the Russian Federation, declared at a press-conference. Only a small matter remains—to schedule the time for holding the referendum. According to the law, it should be held no later than 4 months from the day of adoption of a decree. However, the Congress of People's Deputies or the Supreme Soviet can adopt a decree. A campaign is now going on to put the question of the referendum on the agenda of the Seventh Congress. More than 300 signatures have already been collected among the people's deputies. If the congress adopts a decision on the referendum, it could be held as early as spring. However, if the Supreme Soviet decides on this matter, the adoption of a decree can be postponed endlessly. As Lev Ponomarev said, the adoption of the law on land at the congress, in order "not to spend million of rubles on holding the referendum," is the optimum solution.

Just in case the Coordinating Council of "Democratic Russia" also invented a certain bludgeon against the rebellious congress—a referendum on a prescheduled dissolution of the Supreme Soviet and the Congress of People's Deputies of the Russian Federation. It is not important that Igor Yakovenko, one of the initiators of the referendum on private land ownership, is convinced that this is utopia: People will not go to this referendum. Moreover, until votes are collected, documents are formalized, and so forth so much time will pass that the deputies' powers will end in themselves, legally. Nor is it so simple to frighten the congress. The country's main legislator without ceremony can adopt a new law on the referendum. For example, it can increase the number of the necessary signatures to about 10 million.

Lev Ponomarev, Vera Kriger, and Mikhail Shneyder, members of "Democratic Russia," and Pyotr Filippov, member of the Republican Party, who joined them, declared at a press-conference that the referendum was a resolved matter. The registration of the organizing group for the collection of signatures was scheduled for 21 November. Their collection will begin during the first day

of work of this congress. Now this problem is being actively discussed at meetings of the coordinating councils of "Democratic Russia."

Follow-Up: Correction

934A0347D Moscow NEZAVISIMAYA GAZETA in Russian 21 Nov 92 p 2

[Correction by NEZAVISIMAYA GAZETA]

[Text] For technical reasons in the article "We Will Strike at Deputies With a Referendum" (NEZAVISIMAYA GAZETA, No 224) the formulation of the matter submitted by "Democratic Russia" for a referendum was distorted. In reality, it concerns a "referendum on the people's right to a referendum on a prescheduled dissolution of the Supreme Soviet and the Congress of People's Deputies of the Russian Federation."

We offer our apologies.

Government Seeks 'Social Partnership' With Unions, Entrepreneurs

934A0416A Moscow ROSSIYSKIYE VESTI in Russian 5 Dec 92 p 4

[Report by Ye. Ivanova; place and date not given: "Russian Trilateral Commission: Government, Trade Unions, and Entrepreneurs in Search of Route to Social Partnership"]

[Text] In Russia, the formation of a new system of social-labor relations based on social partnership is now under way. In support of these trends, the Russian Trilateral Commission was formed early this year, bringing together representatives of the Russian government and of Russian associations of trade unions and entrepreneurs. The first result of their joint work is the 1992 General Agreement, which sets the most important tasks of socioeconomic development for the current year that the three most important forces of society—the state, employers, and employees—must solve together.

Oversight over the implementation of the General Agreement was assigned to the Russian Trilateral Commission. During the year the most urgent problems of the country's socioeconomic life have been discussed, and everything possible has been done to keep these problems from wandering into a blind alley. It was at one of these meetings that the compromise solution was found allowing a halt to be put in May of this year to the strike of teachers and health care workers.

The government side has treated the performance of the duties it has taken on in the General Agreement very responsibly. Information coming into the government about progress in implementing the agreement allows us to conclude that on the whole it is being carried out successfully. There are hopes that what has been outlined will be largely implemented by the end of 1992.

In accordance with a previously worked out schedule, a system of privatization checks began to be put into effect. Decisions were passed laying the foundation for demonopolizing the economy. The General Agreement had deemed this measure one of the most important in the area of the economy and the reforms. The presidential edict

"On Organizational Measures to Transform State Enterprises and Voluntary Associations of State Enterprises Into Joint-Stock Companies" and the statute on the commercialization of state enterprises with their simultaneous transformation into open-type joint-stock companies both went into effect. The Russian Ministry of Economics prepared a program of structural perestroika for the economy that the government approved and recommended to the ministries and departments for implementation.

The government is meeting the obligations it took on to support agriculture and other branches of the agro-industrial complex. Priority has been given to supplying agricultural enterprises with fuel and lubricating materials and means of transport and to allocating preferential credits. In order to improve the provision of food to the population, the Russian Agriculture Ministry is putting the finishing touches on a state program to increase the output of grain and sugar in the years 1992-95. There are plans to elaborate and implement analogous programs to encourage the production of vegetable oil, meat, and milk.

The real economic preconditions for privatizing state property are being successfully realized by the State Property Committee and the Russian Ministry of Economics in the state and municipal enterprises of the Russian Federation for 1992. The reorganization of the kolkhozes, sovkhozes, and other state agricultural enterprises is continuing, and the number of private and peasant farms is increasing. The conditions have been created for citizen privatization of housing and for the contribution of citizen funds and of entrepreneurial structures to privatization through investment funds.

The government is looking for opportunities for financial support for the defense industry. A list of enterprises whose financing is to come out of the budgetary conversion fund has been approved, and it includes the defense and nuclear industry. Subsidies are to be paid out quarterly from the budget for the maintenance of social infrastructure sites and conversion enterprises that are on the balance sheet. Measures have been worked out for the economic stimulation and technical reequipment of converting enterprises, the creation of new jobs, and expanded production of civilian output.

These have found their reflection in the following state conversion programs: "Transport and Conversion," "Conversion for the Timber Industry Complex," "Special State Program for the Creation and Utilization of New Types of Machines, Tools, and Equipment for the Agro-Industrial Complex of the Russian Federation," "Program of Projects for the Creation and Preparation of Sets of Equipment for the Production of Children's Food Products and Their Overall Supply for the Period 1992-95." Based on the priorities approved by the government, proposals have been prepared on allocating preferential credit in 1992 to finance the most important special conversion programs for increasing the output of civilian production and consumer goods. The government has agreed to a special loan totaling 77 billion rubles [R].

The government is retaining state regulation of prices and tariffs for many types of production-technical output, fuel sources, and consumer goods and services. Over the course

of 1992, several measures were passed on social welfare under price liberalization. For example, in March, salaries of workers in budgetary organizations were raised by 45 percent, in May by 80 percent, and in September by 50 percent. Twice, in May and November, minimum pensions were increased. More than once pensioners have been given these kinds of one-time compensations.

The government keeps the issues of maintaining jobs and overcoming unemployment in constant view. The "Employment Assistance Program for the Russian Federation" has been approved. Branch and regional programs are being worked out on the basis of it. The Federal Employment Service, Ministry of Education, and Ministry of Science, as well as other interested ministries and departments, have prepared a program of training, continuing education, and retraining for the unemployed population. Work has begun on the creation of a system of career counseling, training, and retraining for laid-off workers. Quotas have been set for enterprises for employing persons with reduced competitiveness in the labor market.

The "Migration" program is being implemented. This year R3 billion has been allocated from the budget to finance it. The Russian Federal Migration Service has been created, and territorial migration services are being organized at various levels. Material assistance is being given refugees and people forced to resettle. Reception points and temporary housing are being created. Funds have been allocated for the construction of housing in 15 oblasts of Russia for refugees and people forced to resettle. Dormitories are being reorganized into permanent housing.

Given inflation, the General Agreement imposes on governmental organs the tasks of regulating the standard of living of the population and providing social guarantees. During the year the Russian Labor Ministry calculated the subsistence minimum for various categories of the population (single workers, pensioners, and so on) every month. On the basis of these, quarterly—and more frequently given a significant increase in consumer prices—the Russian Ministry of Labor, Ministry of Social Welfare, and Ministry of Finance came out with proposals for the government on raising pensions, subsidies, stipends, and salaries of workers in budgetary organizations.

In accordance with the presidential edict, principles for wages for workers in various branches and categories have been put in order. A minimum salary for budgetary organizations and institutions has been passed as a guideline for establishing the branch minimum wage level, which found its reflection in the signing of branch (tariff) agreements. Implementation of the decision passed on the minimum wage level in institutions and organizations was monitored by the Russian Ministry of Industry and branch trade union councils. The Russian Labor Ministry drafted a Unitary Tariff Network, which became the basis for wage level differentiation for workers in the budgetary sphere. The Russian Social Welfare Ministry prepared a "Concept of Social Welfare for Disabled Citizens and Families with Children," which was approved by the government. The undertakings proposed in it have begun to be implemented.

Finally, a mechanism has been set in motion for reassessing previously estimated revenues with consideration for inflation. This affected primarily the recalculation of salaries for the setting and recalculation of previously assigned pensions, vacation pay, and subsidies for temporary disability, pregnancy, and childbirth.

A state program to maintain and improve working conditions is being worked out for the period 1993-97. The government and Russian president have passed several normative documents on social protection for citizens who have suffered mutilation or injury to their health in the fulfillment of their labor obligations, on benefits and stimuli for enterprises producing special clothing and footwear and personal protection devices. Work is being done on the "Foundations of Legislation for Labor Protection."

Implementation has also begun of state programs for Russia's ecological safety. Unitary criteria have been worked out for evaluating the ecological situation of a territory, a federal ecological fund has been formed, and a system of analogous extrabudgetary organizations is being created.

Such is the far from complete list of undertakings carried out by the government side in fulfillment of the obligations established by the General Agreement.

It should be noted, though, that several of its points could not be implemented in 1992 in view of the economic situation, which changed from the moment of its signing. This concerns first of all restraining prices for basic foods and balancing incomes and prices. Today in our country this task cannot be carried out without injury to the budget, the rejection of advancing market reforms, and a return to nonmarket methods of administration. In this connection the task arises to find a more realistic approach to the goals invested in the General Agreement.

The first attempt at signing and implementing a General Agreement should be judged successful. This for us new practice has wholly justified itself. With consideration for this first attempt, the participating sides in the General Agreement have already begun to work on a draft for another in 1993.

Our Information

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'Abbreviated Version' of Government-FITUR Agreement

934A0426A Moscow *RABOCHAYA TRIBUNA*
in Russian 8 Dec 92 p. 2

[Text of final document of Government-FITUR negotiations: "Protracted Dispute, Vague Hopes"]

[Text] As a result of a nationwide protest action organized by the trade unions under the slogan "Orient Reforms Toward the Working People," negotiations were held between the government and the FITUR. They lasted one month, and an agreement was reached with some difficulty;

after all, it was a new experience for both sides. (RAB-OCHAYA TRIBUNA regularly reported on the negotiations' twists and turns.) And now a final document has been signed. Today we are publishing a condensed version of the agreement. Whether or not it satisfies the workers is something that the trade unions' "rank and file" members will decide.

State representative and executive government bodies have recently adopted legislative and normative acts aimed at solving many problems that are reflected in the demands of the FITUR.

In the course of the negotiations, ministries and departments, in conjunction with the reconciliation commission, prepared or clarified previously drafted documents that can promote the fulfillment of a sizable part of the trade unions' demands.

Where some demands are concerned, efforts to reach mutually acceptable decisions were unsuccessful. The government side attributed its position mostly to a lack of necessary resources and to the economic situation that has emerged.

What are the negotiations' results in general form?

1. The Russian Federation government, in its 1993 draft budget message, provided for state support, using budget appropriations, for branches of the national economy in the amount of 8.8 trillion rubles, which amounts to 54.5 percent of the total consolidated budget (as against 2.6 trillion rubles, or 48.8 percent, in 1992), including subsidies for housing and municipal services and for urban passenger transport of 438.3 billion rubles.

Outlays by enterprises to maintain social and cultural facilities on their books and investment expenditures are exempted from taxable profits.

The average rate for the value-added tax will be 16.9 percent in 1993; this change will be brought about by lowering the existing rate for food products and children's goods to 10 percent, and for other goods to 20 percent.

Proposals for granting a credit on preferential terms, not to exceed 40 billion rubles, to the light and textile industries in 1992, in order to augment their working capital, are being considered.

2. The commission deems it expedient to provide credits to rural goods producers, to be secured by agricultural output.

At the same time, in the view of representatives of the FITUR and the Russian Ministry of Agriculture, measures to promote the development of the agro-industrial complex are being implemented in an unsatisfactory fashion.

3. The 1993 forecast for Russia's socioeconomic development provides for the appropriation of credit resources in the amount of 250 billion rubles (in prices of the fourth quarter of 1992) and budget appropriations of more than 112.8 billion rubles for state support for conversion of the defense complex. This will make it possible to create capacity for the production of civilian output valued at 161 billion rubles, including 50 billion rubles' worth of consumer goods.

4. The trade union side notes that at the present time, prices for a number of producer goods and consumer goods are regulated by the state. Lowering the rate of the value-added tax on food products to 10 percent will also help to hold back prices. In order to prevent monopoly-holding enterprises from unjustifiably raising prices, a 1.5- to twofold increase in the tax on profits in excess of the established profitability level is proposed.

The government recommends that local government bodies limit the profitability of grain-processing and bread-baking enterprises to 10 to 15 percent.

The commission deems it necessary to improve the system for compensating for increased prices on children's goods.

The sides did not reach agreement on establishing fixed prices on bread, milk, and potatoes at the federal level.

5. During the negotiations, an accord was reached on the expediency of increasing the proportion of funds from privatization that are left at the disposal of local government bodies, in order to support socially vulnerable groups of the population and to maintain social infrastructure facilities.

Representatives of the FITUR agreed with the conclusions of the Russian State Property Committee on the inexpediency of indexing the nominal value of privatization checks, since their real value in any denomination will be determined by the amount of property being privatized and by consumer demand.

The sides did not reach agreement on the cost-free transfer to labor collectives of privatized fixed assets that have depreciated 70 percent and more.

6. The commission notes that at this time of rising prices, a gradual increase in minimum wages is occurring. In December of this year, trade unions will help set the schedule for introducing a new minimum wage in the first quarter of next year.

At the same time, the FITUR does not agree with the government side's reasoning with respect to the consumption norms for goods and services per worker that have been included in the subsistence minimum, or with the minimum wage level, which it insists be set at 3.375 rubles per month.

The trade union side will ask the Russian Federation Supreme Soviet for explanations with respect to the procedure and timetable for indexing minimum wages in connection with price increases in the first quarter of 1993.

7. The commission notes that a number of normative acts aimed at stepping up the fight against crime have been adopted recently. However, implementation of the measures is not producing the desired results.

Conclusions and Proposals

The commission concluded that it is necessary to accelerate the examination and adoption of normative documents and draft laws prepared by Russian Federation ministries and departments.

The commission deems it expedient to return to the examination of issues on which the sides did not come to mutual agreement while preparing the General Agreement for 1993.

The commission recommends that the Russian Ministry of Economics, Ministry of Finance, Ministry of Labor, and Ministry of Social Protection summarize, during the first quarter of 1993, positive experience on the part of local executive government agencies in reducing social costs in the course of implementing reforms.

The sides deem it expedient to accelerate the formulation and confirmation of a military doctrine

The commission will inform the Russian trilateral commission for regulating social and labor relations of the negotiations' results.

[Signed] *Russian Federation Minister of Labor G.G. Melikyan*

[Signed] *FTUR Chairman I.Ye. Klochkov*

ECONOMIC AFFAIRS

Yukhnovskyy Comments on Steps Toward Monetary Reform

93UN0392A Kiev GOLOS UKRAINY in Russian
18 Nov 92 p 2

[Interview with Ukraine's First Deputy Prime Minister Igor Yukhnovskyy, by Svetlana Pisarenko, place and date not given: "We Will Measure Wages By Bread Loaves: Ukraine's First Deputy Prime Minister, Igor Yukhnovskyy, Comments on the New Cabinet of Minister's Actions in the Area of Monetary Reform"]

[Text]

[Yukhnovskyy] When Ukraine faced the issue of replacing the government, naturally, the internal instability increased, which undoubtedly affected the clearing system between Ukraine and Russia. The Central Bank of Russia accumulated a huge number of transactions, through which Ukraine was transferring money to Russia. These transactions were being processed very slowly. In particular, transactions of Ukraine's payments for oil and gas were not processed in time. Russia received the documents, but the processing was not timely. Hence, the Central Bank did not apply 470 billion rubles [R] in payments. It is clear that Ukraine did not receive the goods equivalent to the amount of all the money transferred.

Since the coupon is not convertible and we do not have a gold equivalent for the money in circulation, commodity equivalency was required. Russia requested that the difference in the value of the coupon and the ruble be covered directly by goods. Therefore, we decided to bring everything into equilibrium via a certain exchange rate between the currencies—Ukrainian and Russian. When our currency moves to Russia, it is exchanged into rubles at a certain exchange rate, and vice versa.

[Pisarenko] In your opinion, Igor Rafailovich, what will be the coupon exchange rate?

[Yukhnovskyy] Naturally, the coupon rate will be lower than that of the ruble. This will help the exports of materials from Ukraine to Russia. In our current situation, barter trade is a necessity. If Ukrainians want to live in warm houses, they have to pay for oil and gas with our goods. Unfortunately, all of this is taking place at the beginning of winter.

I cannot blame the former government for this, but I think that the past policy towards Russia was nearsighted. It was built on "little tricks." In truth, however, life ought to lived by this rule: Do not play tricks on those who are stronger than you. We ought to go only the honest way: They give us goods, and we give them goods.

[Pisarenko] Igor Rafailovich, the goods on the Ukrainian market cost considerably more than in Russia, though. The standard of living is declining, and on top of that we will, as you say, make payments in kind.

[Yukhnovskyy] That is a different issue. We intend to bring prices on goods to a dollar equivalent. Currently there are different rates for goods. For instance, with respect to timber the ratio is 1:7, for sugar—1:180; steel—1:160, and grain—1:50. While the market rate of the dollar

is 1:600. This is a very sad situation. For the money that buys one worker on the world market, one can hire 50 to 100 workers of comparable skills here. The money that buys one cubic meter of timber "over there" buys 80 cubic meters here....

[Pisarenko] We could end up selling the entire Ukraine....

[Yukhnovskyy] That is why we have to get things in order. We have to fill the domestic market with goods. That is our task for today.

[Pisarenko] As I understand it, prices will go up. What is going to happen to wages then?

[Yukhnovskyy] The same—they will be brought on par with world standards. It is not possible anymore to go by the consumer basket. It is different for everyone. But there is bread.

[Pisarenko] Are we going to measure wages by loaves of bread?

[Yukhnovskyy] Yes. For instance, a teacher in Spain earns 999 loaves of bread a month. On the scale of labor remuneration for state employees, a teacher is somewhere in the middle. The real scale has 55 levels, from a janitor, for example, to a minister.

[Pisarenko] This will require an increase of the money supply....

[Yukhnovskyy] I think we can manage that.

Everything I told you, however, is just an idea. A group of scientists is working on it by agreement with the Ministry of the Economy. This project will undergo expert evaluation.

[Pisarenko] How long do you intend to work on this?

[Yukhnovskyy] This is not a lengthy process.

[Pisarenko] May we hope that Ukraine will get out of the crisis soon?

[Yukhnovskyy] By all means. Because it has a tremendous productive base. The main trouble is that Ukraine does not have in place a world certification system and cannot sell its goods abroad at their real value.

[Pisarenko] What keeps us from getting one?

[Yukhnovskyy] I do not know yet myself. But without a certification seal, the goods are sold at half-price as semi-finished input materials. How long can this go on?

[Pisarenko] It has already been enough. Let us hope that we will be able to stop the selling off of Ukraine.

Summary Points of Plan To Overcome Economic Crisis

93UN0392B Kiev GOLOS UKRAINY in Russian
18 Nov 92 pp 6-8

[Unattributed condensed rendering of the Ukrainian program for overcoming the economic crisis: "How To Get Out of the Crisis: The Program Developed by Scholars and People's Deputies Is Offered as a Working Blueprint for the Ukrainian Government"]

[Text] It would seem that the system-wide, all-encompassing crisis that continues to devastate the Ukrainian economy should have brought forward and prompted into vigorous action numerous teams of specialists and politicians—people who care and who would attempt to develop some real programs, proposals, and drafts aimed at saving the state. After all, there are more than enough people claiming to wish to save Ukraine. Nevertheless, summer has passed; the last days of autumn go drizzling by, but not a single political party or movement has offered society a comprehensive economic program for overcoming the crisis and stabilizing the economy. It is, of course, much easier just to talk about the crisis and criticize everybody than to propose something.

Still, such a positive program of action does exist. At the initiative of the commissions of the Ukraine Supreme Soviet, the Justice [Spravedlivost] public innovation center, and the Ukrainian Foundation for International Youth Cooperation [UFMSS], a group of Ukraine's leading economists and expert practitioners was put together and worked hard for four months. This group, headed by A. Matviyenko, member of the presidium and chairman of a Supreme Council commission, and Doctor of Economic Sciences, Professor A. Filipenko, brought together Doctors of Science A. Galchinskyy, V. Gelts, A. Zaruba, B. Kvasnyuk, T. Kovalchuk, Yu. Malchin, V. Popovkin, V. Sikora, P. Subluk, A. Selivanov, V. Stepanenko, N. Timchuk, associate professor A. Poruchnik, UFMSS Director-General A. Razumkov, and Ukraine's People's Deputies A. Korneyev, S. Pravdenko, A. Tolstoukhov, G. Khodorovskiy, and A. Chepurinov. The group has developed a Program of Urgent Anticrisis Measures and Ukrainian Economy's Transition to a Market—a detailed 200-page document that contains specific proposals and the time frame for their realization. Today we are offering for your attention the condensed theses of this program.

We ask those who wish to send their comments and additions to the document, as well as to provide sponsor support for further activities of this group, to contact us at 296-86-37 or 296-81-04 in Kiev.

Independent Ukraine has inherited a difficult legacy from the Ukrainian SSR [Soviet Socialist Republic]—the constituent part of the USSR. In industry, it is depreciated capital assets, morally and physically obsolete machine tool stock and cost-intensive technologies; in agriculture, it is a humus-destroying farming, and on top of all this there is the ruined financial system.

How do we get out of an all-out crisis? Do we urgently undergo a transition into capitalism, producing in the process thousands of nouveaux riches and millions of unemployed and indigent persons? This road is not for us. In the end of it is a social explosion of unheard-of dimensions. So what do we do? The people will not accept a period of wild primary accumulation of capital and will not wait for the young predators to become civilized. And they will be right.

The crux of the problem is how to change the form of ownership, how exactly to make the transition to a market economy without stooping to the level of predatory primary accumulation of capital and without depriving the people of basic social guarantees. It is not possible for

everyone to become an entrepreneur or to own substantial property. It has been proven that only five to seven percent of any nation has an entrepreneurial streak. If we take into account under what kind of system we grew up, in the beginning even such a percentage is highly questionable for us.

The logical conclusion is that the state has to create preferential treatment for people with an entrepreneurial streak. Personal gain has and will continue to provide these people with an incentive for intensive activities. At the same time, businessmen's understanding of the future prospects (which the government ought to ensure through its laws, taxes, and propaganda of values) inevitably will bring them to the idea of social partnership with workers. The entrepreneur-speculator is the man of the hour. A serious entrepreneur is a law-abiding taxpayer whose energy and capital provide jobs, and his taxes, the training of a skilled worker or an engineer, development of culture, etc.

The program's authors were striving to prove that our society can do without shock therapy, navigating between the Scilla of economic backwardness and the Charibdis of social explosion, and reaching the clear waterway of a civilized economy. The program does not look into other problems—the cultural revival, improvements in education, etc., on the justifiable assumption that the economic revival will proceed in parallel with these processes—that they are interrelated, and the resolution of spiritual problems requires first and foremost a material base.

What then do we need to do in the economic sphere?

The program's assumption is that the classic methods of shock therapy do not work, not only do they not improve the economic and social situation, they actually deepen and intensify crisis phenomena. All of this prompts a serious revision of the contents and direction of the reform of the Ukrainian economy, of the mechanisms, means, and pace of moving along the road of market transformation.

The program's center of gravity, its core, are the problems of production, the search for means and ways to stop the decline of vitally important industries, to overcome the crisis of insufficient production, and gradual revival and economic growth. This is a key element of the program.

It offers a substantial correction from the creeping, outside-induced shock therapy to a selective, programmed sectoral impact on the production and other sectors and spheres of the economy with the help of instruments and mechanisms of monetary, financial and credit, tax, price and customs duty policy.

The other distinguishing feature of the program is that the core of the Ukrainian domestic economic structure must consist of sectors and productions that reflect the republic's relative and competitive advantages in the international division of labor, in the system of international economic relations on the regional (CIS) and world scale. As a result, the investment and structural policy—not only strategic but also short-term—is aimed first and foremost at said spheres of national economic cycle.

An important feature of the program is that the starting point of its implementation and subsequent realization is the introduction of one's own currency. Putting one's own

monetary unit into circulation is considered the main premise and a decisive factor in the general economic stabilization. The goal of the reform is to secure the unity of national economic space, a single customs territory in the state, and to develop and realize a truly independent and completely self-reliant economic policy.

The end goal of the program is to ensure national economic security, to achieve the necessary economic and social balance in society, and to lay an economic foundation of a modern post-industrial state.

The program delineates the stages that characterize macroeconomic stabilization, the halting of production decline, and the beginning of economic growth. The starting, interim, and final stages are supported by concrete calculations.

According to the program, the measures of urgent economic reform are to be as follows:

- a monetary reform and, on its basis, the implementation of budget and financial stabilization; active anticrisis and deflation policy; and a reorganization of the banking system;
- demonopolization of production, and its incorporation and evolutionary privatization; development of varied forms of entrepreneurship and of the extensive market infrastructure;
- implementation of steps towards an effective accumulation of financial and credit resources and establishing on this basis a more radical investment and structural policy; stabilization of basic economic sectors; ensuring the priority development of consumer goods production, the service sector, small production structures, and civilized middleman activities;
- combining further liberalization and active government regulation of foreign economic activities; stabilization of the balance of payments; creating the conditions for effective use of world economic links and of foreign capital for internal economic development;
- conducting a balanced social policy, creating a material basis for halting the decline, and a gradual improvement of the people's standard of living;
- further dismantling of administrative management mechanisms and transforming them into institutional structures that would meet the modern demands of Ukrainian economic development.

I. The Monetary Reform

The program envisages the completion of the full couponization of the money supply—that is, introducing the coupon not only in cash but also in noncash transactions—as the beginning of monetary reform. Upon the implementation of this process, the coupon will acquire the status of a temporary national currency that will fulfill the functions of a universal means of payment and the means of accumulation. It is envisaged that the coupon will be introduced into noncash transactions during November of this year.

The second stage of a monetary reform is associated with the introduction and circulation of the hryvnya. The

program provides two options for solving this task. The first option envisages an instantaneous transfer of the entire coupon money supply (cash and noncash) into a hryvnya-based one. The second utilizes the principle of a parallel circulation of two monetary units—the coupon and the hryvnya. The aforementioned system is seen as a transitional structure that envisages an organic combination of monetary reform with the privatization program, which will introduce convertibility and gradually introduce the hryvnya into cash circulation while gradually restricting the zone of the coupon circulation. As the coupon is completely displaced (this process will take six to 12 months), the functions of the parallel circulation system will exhaust themselves.

Using the system of parallel circulation, the second stage of the monetary reform may be started on 1 January 1993. To conduct a reform on the assumption of the instantaneous introduction of the hryvnya into circulation is possible only if the economy is stabilized first.

In addition to putting into circulation a national banknote—the hryvnya—the implementation of a monetary reform envisages the creation of a ramified structure of deposit money, the mechanism for organizing and regulating cash and noncash money supply and their interaction; ensuring the gradual convertibility of own monetary unit; the implementation of banking system reform, and forming the necessary market infrastructure—the monetary hard currency and financial markets—as well as the legal base and the training of personnel to support the relevant transformations.

The program assumes that it will be necessary to sign a currency and clearing agreement between the countries—former parts of the USSR on the basis of IMF principles. Ukraine's participation in such a union, whose goal is a corresponding transformation of the ruble zone and the establishment of equal and mutually profitable currency relations, does not preclude its participation in other interstate currency groups such as, for instance, in the future, the European currency system.

II. Financial Stabilization

Depending on the chosen type of monetary reform, the program envisages two options for financial and economic stabilization: hard and soft, encompassing the period from November 1992 to December 1993.

The hard option of financial house-cleaning is in force until the introduction of our own currency, and begins in November 1992. It envisages

- freezing prices and wages;
- imposing a strict budget policy;
- temporary freezing of individuals' savings deposits until the beginning of economic growth, and in the future exchanging them for hryvnias on a differentiated scale, depending on the size and time of placement in the savings bank;
- implementing a restrictive credit policy;
- raising the hard currency rate of the coupon on the basis of its deflationary quality and preparing on this basis the conditions for introducing the hryvnya.

As financial stabilization progresses, measures of state regulation of production are implemented. Stopping the decline in the priority varieties of production is achieved on the basis of developing and implementing planning of Ukraine's socioeconomic development for 1993 by indicators. The state ensures a financial and resource backup for said programs and for the indicator-based plan as a whole; exercises predominantly economic control over its fulfillment; stimulates economic development with the help of taxes, prices, subsidies, tariffs, interest rates, insurance funds, and hard currency and customs duty regulation and control; for this period, state orders are preserved at the necessary level, and the state regulates the prices and exercises control over foreign economic activities. Keeping in mind that mass privatization, as evidenced by other countries' experience, at the initial stage leads to an even greater decline in production, during this period a moratorium is declared on privatization, with the exception of unprofitable enterprises and the trade sector. At the same time, commercialization and demonopolization of production are widely implemented; state enterprises acquire legal and economic independence; and monopolies are gradually broken up.

By the end of the anticrisis period, the budget deficit ought not to exceed three to four of the GDP [Gross Domestic Product], and the rate of inflation—four to six percent a month. The main condition for implementing the hard option of macroeconomic stability is the strengthening of power structures at all levels, and the presence of social consensus in society.

2. The "soft" option of urgent anticrisis measures is based on the conducting of a parallel-type monetary reform; a deep structural reorganization of the banking system; implementation of the cheap money policy; and stimulation of production through substantial cuts in tax rates, preferential credits, and the propping up of effective demand.

In conducting financial stabilization, a subordination principle is established, whereby priority attention will be given to overcoming the crisis of finances at the bottom economic level—the finances of physical and legal market entities; a policy of decentralization of state expenses is introduced; a system of cyclical regulation of state finances and their stabilization on the basis of finances is introduced—a profound separation of state and local budgets by the source of revenue and restructuring of production. The repayment of the state debt will be implemented on the basis of establishing a modern mechanism for the formation and functioning of a government securities market, the introduction of high interest rates, and a system of state insurance guarantees with respect to their placement.

A preferential credit policy will be conducted, and industries with quick capital turnover will get priority credit—in particular, those working for the consumer, energy and resource conservation, small and medium-sized business, and farming, the acceleration of goods turnover, commercialization of trade, and setting up a ramified market infrastructure.

A flexible price policy will be conducted. Its goal is to prevent uncontrollable hyperinflationary processes. To this end, the following anti-inflation measures will be used:

- a) making privatization objects among state property, housing, and land lots (selectively) a part of goods turnover;
- b) mobilizing anti-inflationary sources of financing the state budget deficit;
- c) implementing anti-inflationary tax policy—in particular, substantial lowering of the value-added tax;
- d) regulating the hard currency exchange rate of the national monetary unit;
- e) introducing a selective system of paid social services for high-income population strata;
- f) mobilizing the untied money in the hands of the population through the mechanisms of financial and credit markets;
- g) establishing fixed prices on a limited number of goods produced by the basic production sectors, food products, and transportation services.

III. Destatization and Privatization

The property reform, development of entrepreneurship, and demonopolization of production are long-term processes and are to be implemented in this logical sequence:

- the creation of legal, economic, and organizational conditions for demonopolization of production;
- the introduction of effective and stable mechanisms for the functioning of free entrepreneurship (on the basis of the "laissez-faire" principle and guaranteed protection of the interests of the proprietor at any level);
- gradual but unswerving change of property relations through the widespread development of lease relations, further privatization, commercialization, conversion to joint-stock ownership, incorporation, and other methods of transforming state property into more effective economic forms.

The program assumes that the process of privatizing large enterprises must be implemented gradually and ensure real advantages for the labor collectives. Its conduct should be preceded by a pilot privatization, the reorganization of production, the establishment of fully cost-based relations, and a legislative solution to the issue of privatizing the land lots where production facilities are located.

Money earned from small business privatization is directed first and foremost toward reducing the state's internal debt, support of the parity of the domestic currency, support of entrepreneurship, and technical modernization of production.

The process of privatizing state production facilities must be conducted in organic conjunction with the privatization of housing, as well as with the implementation of a large-scale agrarian reform and a corresponding reorganization of various structures of cooperative forms of ownership.

IV. Structural Investment Policy

The program emphasizes that the structure of the Ukrainian economy is on the whole ineffective, ecologically dangerous, and has less than optimal parameters of the

investment and consumer sectors. In the course of the already-started reform, a destructive deformation of economic structures has taken place; cost and financial indicators have ceased to be the indicators of development and cannot serve as a reference point in the implementation of a long-term policy.

Getting out of the crisis and structural transformations encompass three stages. During the first, it is necessary to restore the objective proportions of the public product through a speedy correction of tax and price policy, labor remuneration, and by establishing the administration of the economic processes by the state. In doing that, it is important to take into account the fact that the price bulge (January-November 1992) caused by the liberalization of prices is over. Any purposeful structural and investment activity is realistic only provided that a new price bulge is prevented with the help of conscious stabilization and anti-inflation measures envisaged by the program.

The second stage envisages the way out of the crisis through intensification of investment activities, and multilateral resource adjustment with the purpose of replenishing the goods market. Wide-ranging administrative solutions are permissible here. A separate task is special state support for the main life-support systems in order to ensure their uninterrupted functioning and the prevention of technological and ecological catastrophes, as well as reorganization of light and food industry enterprises.

The third stage envisages a program of optimization of economic dynamics, in particular, doubling in comparison with the end of 1980's the norm of accumulation necessary for speeding up innovation, environmental protection, and the normalization of reproduction of the capital production assets.

The program specifies that with respect to investment, the main role belongs to enterprises rather than the state. However, the shift in the center of financing toward decentralized sources has resulted in the loss of ability to manage expanded reproduction; enterprises spend only one-third of their resources on development and improvement of production. The program proposes to restore the state's economic functions in the sphere of high technology and conversion in the VPK [military-industrial complex]; and implementation (built on the balance of interests) of a mechanism for regulating the investment activities and attracting capital into the sectors serving the population, as well as for the state fund for the development of basic industries.

The program rejects the practice of direct withdrawal of enterprise profits, offering the creation of innovation and investment national funds with mixed capital and on the basis of economically related contributions of economic subjects, using the levers of partial incomplete suspension of taxes on the investment and preferential credits for expanding the production, as well as shifting state capital investment to a credit basis, and attracting foreign investors. In order to pull out of the crisis phase, it is necessary to raise the investment norm from nine percent (in the first half of 1992) to 25-28 percent of national income in 1993.

During the period of pulling out of the crisis, the most important priorities are food and the fuels and energy sphere, where additional funds are attracted on the basis of

the diversification principle from such sources as joint-stock investment companies, including foreign capital, sectoral means of privatization, and participative contributions from related sectors. In the future, a special role will be played by the investment complex, export production, and other measures aimed at raising the effectiveness and social reorientation of the economy.

The program's structural policy envisages the introduction of high technology; modernization and increased reliability of labor tools in the sectors that utilize mobile equipment (agriculture, construction, the mining industry); qualitative retrofitting of the spheres with extremely obsolete and depreciated assets (metallurgy, power generation, chemistry, transportation, the food processing industry); and shifting machine building and light industry to a new technological base. Agriculture and the food processing industry are of key importance, as well as a considerable reduction of the relative weight of metallurgy and accelerated development of machine building and of science-intensive and high technology industries.

V. Foreign Economic Activities

The goal of radical transformations in the foreign economic sphere is to solve a number of problems related to the formation of a market environment in Ukraine, development of competition, attracting foreign investment and technologies, stabilization of the consumer market, accumulation of hard currency reserves, and introduction of our own monetary unit.

Also needed are immediate measures for the purposeful formation of the republic's export base:

1. To stabilize exports at the level already achieved. Taking into account the fact that the probability of increasing the exports of machinery and equipment in the next two to three years is small, to concentrate in particular on the development of state programs and increased exports of the output of the fuels and energy sector, as well as that of metallurgy, the metalworking industry, and the agro-industrial complex.

2. In order to strengthen the foothold in the European and world machine tools and equipment markets, to implement state incentives for exporting the output of the machine building industry.

In the future enhancement of Ukraine's export specialization profile, priorities should shift to exports of science-intensive products and high technology, know-how, licenses, computer software, and such. A decisive role in this will be played by VPK conversion.

To achieve this, it will be necessary fundamentally to reconstruct and change the specialization for machine-building enterprises; to establish, through conversion, an additional network of small and medium-sized enterprises with highly automated production in the machine-building, chemical, and woodworking industries, and the production of consumer goods, with greatest possible development of international cooperative ties on the basis of direct deliveries within the industry, as well as the creation of joint enterprises with foreign partners.

3. Making Ukraine a part of the system of world economic relations requires a serious adaptation of its structure and

of the entire economic mechanism to extremely high requirements dictated by the world market economy.

The commodity and financial market, and the market of services and technologies, housing, and labor, should interact closely with respective sectors of the world market by creating in Ukraine a developed network of commercial and financial institutions, commodity and stock exchanges, intermediary consulting firms and services, communications, information, a modern transportation system, service, and advertising—that is, the entire market, production, and social infrastructure.

In order to resolve as quickly as possible the aforementioned host of problems, a National Program for the Accelerated Development of Infrastructure should be put in place, in particular, one related to production and designed for two to three years. The main source of its financing should be the local and republic budgets and to a considerable degree, foreign capital.

4. For the transition period, to establish a strict regime of state regulation of export-import operations, and to strengthen control on the part of state organs (the Ministry of the Economy, the Ministry of Foreign Economic Relations, the State Committee on Prices, the National Bank, and the Ministry of Finance) over all components of Ukraine's foreign economic ties.

For the purpose of bringing order into foreign trade operations and establishing a record for the flow of goods going outside the republic, the following should be done:

- strictly limit for the transition period the list of goods permitted to be taken out of the country by individual citizens;
- establish state control over barter operations among state sector enterprises, and apply effective measures toward nonstate sector enterprises that violate the law on quotas;
- revise the taxation system on goods exported to other countries; adopt a law "On Export and Import Taxes;"
- considerably strengthen the role of import duties on the basis of GATT principles, as a most important instrument of regulating the interstate flow of goods;
- practice barter operations in consumer goods by state and commercial trade organizations within the framework of interstate agreements;
- implement the practice of comprehensive and auction sales of licenses for the export of goods counted toward the fulfillment of interstate agreements;
- to develop and put into effect for the duration of the stabilization period, a system of hard currency regulation;
- to improve Ukraine's ties with international financial organizations and European regional economic groups.

VI. The Social Policy

The social policy in the circumstances of the implementation of anticrisis measures is aimed at not permitting any further impoverishment of the population, ensuring the

physiological sustenance level for the least-protected groups, and maintaining a social balance in the society.

The social policy's main tasks and priorities:

1. The conducting of economic reforms that would be tightly tied to firm social guarantees for workers, peasants, the intelligentsia, and entrepreneurs.
2. A fundamental restructuring of the entire system of society's social infrastructure, without permitting the destruction of the current social wealth.
3. Creation of conditions for able-bodied persons to find a job commensurate with their qualifications; effective and qualitative labor; fair pay; job skills improvement; career changes; and restoration of health and recreation.

An immediate implementation of a far-reaching reform of pay, taking as a basis the cost of living, skill level, and social guarantees.

During the crisis stage, to impose limitations on the payroll fund, making it dependent on the volume of production, corrected for the price index and taking into account the maximum level of profitability. To strengthen the employment service, to set up a retraining system, taking into account first and foremost the structural unemployment; to implement a system of financial support for the unemployed with a flexible time frame for assistance in the amount no less than the physiological minimum.

4. In order to arrest the trend toward the extinction of nations, to ensure support for families with children. During the crisis period to direct targeted help to families whose income per family member is below that required by the physiological minimum.

5. For young men and women, to create equal starting opportunities to obtain free, high-quality education and skills, and effective job search.

To make the size of state stipends dependent on the average family income or the student's personal income. Also envisaged is the introduction of a system of preferential credits for youth in skills acquisition and retraining, and preferential credits and minimum taxation for young entrepreneurs.

6. It is envisaged to ensure social security for the disabled and pensioners by bringing the minimum pension amount to correspond to the physiological consumption minimum, it is expedient to direct all subsidies to pensioners and the disabled as direct monetary assistance paid directly to specific individuals; to introduce pension insurance in addition to state social security.

VII. The Regional Policy

Economic improvement will depend to a considerable degree on taking into consideration regional specificities, territorial forms of cooperation and division of labor, organization of entrepreneurial activities, social structure of the population, and historic development and traditions.

It is envisaged that the main organizational form of realizing the measures aimed at economic stabilization and intensification of economic reforms in Ukraine at the territorial level should be regional programs of anticrisis

measures, reorganization of production, and the reorientation of the economy towards a market. The structure and sequence of the programs adopted by local soviets is defined. Their main phases will be:

1. Conducting an inventory of existing natural resources and of the territory's production and infrastructure potential. Formation of a computer database. Analysis and evaluation of the real state of affairs in the region. Developing a mechanism for protecting the regional market.

Forming a territorial property fund; scientific expert appraisal of property; working out estimates and preparation of proposals for the creation of market territorial mechanisms. Development of normative-legal documentation, territorial regulation, their expert evaluation. Development of normative documents on the organization and functioning of administrative structures.

3. Reorganization of territorial organs of administration; ensuring an organizational environment that promotes economic independence of enterprises; rendering practical assistance to them.

4. Development of economic relations with partners outside the region; organization of foreign economic activities in the environment of structural changes in the economy. Introduction of territorial mechanisms for the social protection of the population.

Practical realization of the program's basic structural links envisages their legal and institutional support, the creation of competitive markets, and the development of modern market infrastructure.

VIII. Legislative Policy in the Economic Sphere and the State Administration Reform

The implementation of urgent anticrisis actions and the market transformation of the Ukrainian economy dictates an increased responsibility of the president of Ukraine and the Ukrainian Supreme Soviet, which envisages coordination in the development and realization of the legislative policy through an inventory of laws and presidential decrees, with the resulting regulatory influence of the state organs on all factors of economic stabilization. The result of legislative coordination of crisis-born economic realities with the legal regulators currently in effect should be a summary Ukrainian law on the financial-economic and social stabilization of the society. The mechanism for supporting it includes economic, price, and financial levers that are delegated to a full extent to the republic government for their introduction on the territory of Ukraine with the mandatory emphasis on the priority of the social function of state administration. Among the priority legislative acts of Ukraine ought to be a law on planning by indicators with respect to the development of state enterprises; a law on the responsibility of economic organs for the fulfillment of contracts and agreements; a law on preferences for private enterprises; a law on the state apparatus and public service; a law on corruption in the economic sphere; a law on social guarantees and assistance to low-income groups; a Ukrainian trade code; and so on.

The restoration of vertical subordination within the structure of the organs of executive power spearheaded by the Ukrainian Cabinet of Ministers must be reinforced by

streamlining local administration arrangements, whereby all soviets of people's deputies carry out their powers through executive organs, while the institute of Ukrainian president's representatives remains on the regional level in all areas of the country. Bringing state and local interests into harmony is done exclusively through laws and government decrees, which represent the legal basis for carrying out state regulation; a gradual transition to a market; and elimination of social tensions through restoration of confidence in the Supreme Soviet, the republic's government, and local organs of administration.

Besides the monetary reform which constitutes a defining, ground-level factor in Ukraine's current situation, a set of measures should be implemented in the near future (one to three years) with respect to the fundamental reform—or, for all practical purposes, the creation—of a new credit-financial and banking system; also, tax and budget reforms need to be implemented, and a modern price-formation system introduced. Also urgent are institutional reforms, that is, the restructuring of the entire system of state administration in accordance with the tasks of the modern phase in economic and state development. Other items on the agenda are investment and structural reforms, and a reform of the foreign economic sphere.

The program envisages first and foremost the implementation of aforementioned reforms that are capable of substantially speeding up the movement of the economy towards a market, and democratization of all components of the economic life of the society. The realization of proposed reforms will facilitate the formation of an interconnected system of markets in Ukraine: goods and services, capital and labor, money, hard currency, securities, credit, housing, technologies, and so on. All of this will provide the necessary impulse for the effective use of all types of resources, and will greatly increase the incentives for high-productivity labor. This is in the final analysis the only, the no-alternative way toward Ukraine's organic interaction with the world community, and its joining the achievements of a modern civilized process.

Instruction on Official Business

935D01134 Kiev *RABOCHAYA GAZETA* in Russian
28 Oct 92 p 3

["Instruction on Official Business Travel (Issued on the Basis of the Decree of the Ukraine Cabinet of Ministers No. 212 Dated 28 April 1992)"]

[Text]

1. An official business trip is considered to be a trip taken by an employee upon instruction of the director of an association, enterprise, institution, or organization, to another locality for a certain period of time in order to carry out an official directive outside the location of his permanent work.

In those instances where branches, sections, and other subdivisions which comprise part of an association, enterprise, institution, or organization are located in another locality, the location of an individual's permanent work is considered to be the production subdivision at which his work is stipulated by a labor agreement.

Official trips of employees whose permanent work takes place on the road or is of a travel-oriented (itinerant) nature are not considered official business trips.

2. Employees of associations, enterprises, institutions, and organizations are sent on official business travel by the directors of these associations, enterprises, institutions, and organizations. To this end, official travel documentation is drawn up and issued according to the format indicated in Appendix 1.

On the decision of the director of an association, enterprise, institution, or organization, the directive by which an employee takes an official business trip may involve drawing up orders, along with official travel certification.

Official travel documentation may not be issued if the employee must return from his official business to his place of permanent work on the same day he was sent.

3. Employees are sent on official business trips with the permission of the directors of associations, enterprises, institutions, and organizations. The time frame of an official business trip is determined by these directors, but may not exceed one month.

The time frame for official business trips of employees, executive functionaries, and specialists directed to accomplish installation, repair, and construction work may not exceed one year.

4. The actual time of stay at the location of an official business trip is determined by notations in the official travel documents as to date of arrival at the official business location and date of departure from the official business location. If an employee is directed to travel to a variety of population centers, notations as to date of arrival and date of departure are made for each location.

Notations in official business documents on the arrival and departure of an employee are verified by the same seal one or another enterprise or institution uses in its economic activity for signature verification of the appropriate responsible official.

In ministries, departments, associations, enterprises, organizations, and institutions, registration of persons sent on official business travel and who arrive at a given enterprise, organization, or institution, is effected in a special log according to the format indicated in Appendices 2 and 3.

The directors of ministries, departments, associations, enterprises, organizations, and institutions appoint on orders the individual responsible for maintaining the registration log for employees arriving on official business and departing for official business and the individual who makes the notations in official travel certification.

5. The day of departure on official business travel is considered the day the train, aircraft, bus, or other means of transportation sets out from the employee's permanent work location, and the day of return from official business—the day such means of transportation arrives back at the permanent work location. For departures of means of transportation which take place up to and including at 2400, the day of departure on official business travel is considered to be that day, the day ending; while travel beginning at midnight and later—the following day, the

day beginning. If a station, dock, or airport is located outside the population center in which the person effecting the travel works, time necessary to travel to the station, dock, or airport is taken into account. The day an employee returns to his permanent work location is treated in the same fashion.

6. Employees sent on official business travel are subject to the same work-time and time-off mode of operation as that which applies to the operating regime of the associations, enterprises, institutions, and organizations to which they are sent. Days off are not afforded following return from an official business trip to compensate for days off which were not used during the trip.

If an employee is specially sent on official business to accomplish work on days off or holidays, compensation for the work performed during this period is effected in accordance with legislation currently in effect.

In instances where, upon instructions of the management, an employee sets out on official business on a day off, he is afforded another day off upon his return from the official business in accordance with established procedure.

Matters concerning arrival at work on the day of departure on official business and on the day of return from official business are decided by agreement with the management.

7. The work position (job and average salary, or pay rate by job position taking into account supplementary payments and increments over the period of official business, including time spent travelling) is maintained for an employee sent on official business travel.

Average salary or pay rate by job position taking into account supplementary payments and increments over the period of official business is maintained for an individual travelling on official business for all workdays of the week, in accordance with the schedule which has been established for the permanent work location.

Wages are sent to an employee on official business travel, at his request, from the accounts of the association, enterprise, institution, or organization which directed the travel.

In the event of official business travel of an employee holding more than one job simultaneously, the average salary or pay rate by job position taking into account supplementary payments and increments is maintained in that association, enterprise, institution, or organization which directed him to perform the travel. In the event an individual is directed to perform official business travel related to his main job and other job simultaneously, the average salary, or pay rate by job position taking into account supplementary payments and increments, is maintained with respect to both jobs, and the expenses of the official business travel are distributed between the organizations directing the employee to perform the official business travel, according to agreement reached between them.

8. An employee sent on official business travel is compensated for expenses incurred for lodging rental and transportation to the place of official business and return to permanent work location. He is also paid a per diem allowance.

The norms regarding compensation to individuals for expenses incurred on official business trips, envisaged by Decrees of the Ukraine Cabinet of Ministers No. 212 dated 28 April 1992 and No. 276 dated 26 May 1992, as well as by these instructions, are applied to official business trips made by employees in fulfillment of official directives within the territory of Ukraine and territories of the member states of the Commonwealth of Independent States.

An employee sent on official business travel is compensated for expenses of obtaining visas (duty payments) for official business trips outside Ukraine to states of the former USSR, as well as for passport registration and commissions paid to exchange Ukrainian money for the currency of the state on whose territory the employee has been sent, on the basis of documentation which confirms these expenses.

9. For every day an employee is on official business, taking into account days off, holidays, and time spent in travel (including required stops along the way), he is paid a per diem allowance in the amount of 100 rubles [R]. Per diem allowances for periods of time spent in transit are paid according to the same norms which apply to time of stay in the official business location. In determining the amount of per diem compensation, the day of departure on official business travel and day of return to permanent work location are considered as one day.

Employees temporarily transferred or sent on official business for work in the exclusion zone on territory of radioactive contamination caused by the accident at the Chernobyl nuclear power station are paid per diem allowances at the rate of R130 for each day they are present in this zone.

10. In the event official business travel is performed for one day, or constitutes travel to a locality where the employee has the opportunity to return daily to his permanent place of residence, the per diem allowance is paid in the amount of one-half.

The question as to whether or not an employee may return daily to his permanent place of residence is decided in each specific instance by the director of the association, enterprise, institution, or organization at which the individual performing official business travel is working, taking into account the distances involved, transportation conditions, nature of the task being performed, and also the need for creating rest and relaxation conditions for the employee.

11. Enterprises, associations, institutions, and organizations compensate employees performing official business travel for expenses incurred in renting lodging facilities, upon the presentation of vouchers which show the amount of actual expenditures taking into account additional services which are afforded in hotels, but not to exceed R125 per day.

Compensation for such expenditures in amounts in excess of R125 per day is effected upon authorization of the director of the association, enterprise, institution, or organization.

Payments above the norm established by the Ukraine Cabinet of Ministers for compensation for lodging rental expenditures are effected by economic-accountability

enterprises and organizations out of the profit which remains at their disposal after taxes and other mandatory payments stipulated by existing legislation are paid to the budget. The above-mentioned payments are payments of an individual nature and are included as wages of an employee from which income tax is withheld in accordance with the Ukraine SSR Law "On Income Tax From Citizens of the Ukraine SSR, Foreign Citizens, and Persons Without Citizenship."

Budgetary institutions and organizations effect reimbursement for the above-mentioned expenses within the limits of allocations provided in accordance with the estimate of outlays for their upkeep.

In the event of absence of documentation confirming expenditures for rental of lodging facilities, such expenditures may be compensated to the employee performing official travel in amounts as determined by the directors of associations, enterprises, institutions, and organizations, but not to exceed R40 per day in the capitals of member states of the Commonwealth of Independent States and of autonomous republics, in oblast centers and cities under republic jurisdiction; not to exceed R30 in other cities and rayon centers; and R20 in remaining population centers.

An employee performing official business travel is provided compensation for a reserved space in a hotel in the amount of 50 percent of its cost.

Expenditures for rental of lodging facilities during necessary stops along the journey which are confirmed by appropriate documentation are reimbursed in amounts as stipulated by this provision.

12. Expenses for travel to the official business location and return are reimbursed to the employee performing official business travel in the amount of the cost of travel by public-use air, railroad, ship, or motor vehicle transportation (except taxi transportation), including insurance payments for mandatory state insurance for passengers, payment for advance sale of tickets, and actual expenditures for the use of sleeping accommodations in trains, in amounts as established by the appropriate railroad authorities.

Expenditures for official business travel performed by an employee in first-class travel seating, naval vessel cabin for which payment is made according to Groups I-IV travel rates, river fleet vessel cabin of Categories I or II, or first-class air transportation are reimbursed in each individual instance upon authorization of the director of the association, enterprise, institution, or organization and upon presentation of travel documents.

In instances where documents confirming travel expenditures cannot be presented, the director of an association, enterprise, institution, or organization has the right to settle travel payments at the minimum cost level.

An employee performing official business travel is paid expenses for travel by public-use transportation facility (except taxi) to the station, dock, or airport, if these are located outside the population center in which the employee performing the official business travel has his permanent work, or outside his place of stay while on official business.

When several forms of transportation are available which link the permanent work location with the place of official business, management may propose the mode of transportation the employee should use. In the absence of such a proposal, an employee independently decides the question of transportation selection.

13. An employee performing official business travel is also reimbursed for official travel expenditures above the established norms of compensation for the payment of value added tax for travel documents acquired, use of sleeping accommodations on trains, and renting of lodging facilities.

14. In the event of temporary work incapacity of an employee performing official business travel, he is reimbursed in the regular fashion for lodging facility rental expenses (except in instances where the employee on official business travel is hospitalized) and is paid per diem over the entire duration of the period he is unable to engage in performance of the official duties he has been assigned by virtue of his state of health or unable to return to his place of permanent residence, but not for a period in excess of two months.

Temporary work incapacity of an employee on official business travel or his inability to return to place of permanent residence by virtue of his state of health must be verified in accordance with established procedure.

Over a period of temporary work incapacity, an employee on official business travel is paid a temporary unemployment allowance in the regular fashion. Days of temporary work incapacity are not included within the period of the official business trip.

15. Directors of associations, enterprises, institutions, and organizations are afforded the right, in cases where the amount of expenditure for official business travel is known beforehand, to effect payment of the above-mentioned expenditures to the employees performing the official travel, upon their consent, without the presentation of travel vouchers. In this regard, monetary amounts are distributed to the employee performing official travel based on actual requirements, but are not greater than the amounts calculated according to the procedure and norms established by these instructions.

The accounting record of amounts distributed, signed by the director of an association, enterprise, institution, or organization, is kept in the accounting department of the association, enterprise, institution, or organization. When an employee returns from an official business trip, he submits properly drawn-up official travel certification to the accounting department, but does not present an accounting of amounts spent.

In instances where the time frame of an official business trip is changed in accordance with established procedure, an appropriate recalculation of expenses subject to reimbursement to the employee is effected.

16. Prior to his departure on official business travel, an employee is issued an advance travel payment, except in instances as stipulated in Point 15 of these instructions. The advance payment is within the limits of the amounts designated for travel, lodging facility expenses, and per diem allowances. Within three days of his return from

official business travel, an employee is obligated to submit an accounting of amounts of advance payment he has spent in connection with the trip. Submitted along with the advance accounting are official travel certification documents drawn up in accordance with established procedure, documentation on lodging rental, and actual travel expenditures.

17. Enterprises and organizations independently establish, instead of per diem, increments (field provisions) to the rates and salary scales of workers sent to do installation, repair, and construction work, and employees whose work is set up by the duty-watch method, constantly takes place on the road, or is travel-oriented (itinerant) in nature—in amounts as stipulated in collective agreements (or by agreement with a customer). The upper limit of the increments (field provisions) cannot exceed R100 per day paid to workers sent on official business trips, and R130 per day to workers accomplishing a duty-watch mission in the exclusion zone on territory of radioactive contamination caused by the accident at the Chernobyl nuclear power plant.

The procedure and conditions for establishment of the above-mentioned increments are stipulated by approved normative documents.

Workers assigned to accomplish installation, repair, and construction work or to accomplish missions through the duty-watch method are reimbursed, regardless of the time frame of the official business travel, for travel expenses to official business location and return and for housing facility rental (except in instances where they are afforded free lodging) in accordance with the procedure established by Points 11 and 12 of these instructions.

Payment of increments (field provisions) instead of per diem in percentages of wage rates (job salary scale) is not effected:

- for workers admitted at the location where installation, repair, and construction work is being accomplished;
- for workers sent to installation, repair, and construction work in way of transfer to another locality under terms as stipulated by legislation presently in effect;
- for workers over the period of time they are on leave and for days they failed to report to work without valid reason;
- for workers over the period of time they are fulfilling state or social obligations away from the site at which installation, repair, and construction work is being accomplished;
- for workers sent on official business to effect supervision of the accomplishment of installation, repair, and construction work.

Payment of wage increments (field provisions), instead of per diem, in percentages of wage rates (job salary scale) is effected for each calendar day a worker is present at the installation, repair, and construction site.

In calculating the amount of the above-mentioned increment (field provisions) for less than a whole month, a calculation is first made of the amount of increment for one whole month. This amount is then divided by the

number of calendar days in the given month. The result is multiplied by the number of days the worker was present at the installation, repair, or construction site during the given month.

18. These instructions are not applied with respect to procedure for sending individuals on official business travel, amounts of reimbursement for expenses, or time frames of official business trips if terms other than these are prescribed by legislation presently in effect.

[Signed] Ukraine Deputy Minister of Finances V.N. Ilin

Ukraine Deputy Minister of Labor N.M. Malyshev

Petroleum Shortage Brings Refineries 'Close to Catastrophe'

934A0450A Kiev NEZAVISIMOST in Russian
4 Dec 92 p 2

[Article by St. Bondarenko: "We Write 'Fuel,' but What We Have in Mind Is Cold: It Hurts"]

[Text] Despite the relatively reassuring official announcements about oil deliveries from Russia, the actual situation at the oil refineries seems to be close to catastrophic.

They are out of oil again. And they are shutting down operations—something that has never happened before in the practice of oil refining. Representatives of the work collectives from the Lysichansk, Kremenchug, Kherson, and Odessa NPZ's quickly traveled to Kiev, where they hoped to report on the essence of this matter to the Cabinet of Ministers and even to the president. But they succeeded in penetrating only to the reception offices and the lower ranks of the bureaucracy.

The development of the situation, for example, in Lysichansk was described to us by Sergey Klitinskiy, production chief of the local NPZ, as follows:

"Indeed, our refinery—which has been standing idle since 23 November—began to receive oil this past Thursday and Friday. On Monday we started up one unit. But on that very same day, after pumping slightly more than 100,000 tonnes of crude oil, we sensed a stoppage and a shutdown. At a minimal load this means only a week's work for us. There is no more oil...."

Nor is the situation any better at Ukraine's other refineries. The most lamentable thing is that it is extremely hard to start up an oil refinery under wintertime conditions.

Finally—as a last resort—the despondent representatives of the refineries decided to appeal directly to the Ukrainian people. Their statement is printed below:

At the behest of the work collectives of the Lysichansk, Kremenchug, Kherson, and Odessa oil refineries, we have assembled here in Kiev. The situation at our enterprises is

catastrophic. The statements by the government to the effect that there is oil obviously do not correspond to the actual situation. Any person with common sense who investigates the real state of affairs will discover that these refineries have shut down on the verge of winter due to a lack of oil. Numerous appeals to the Supreme Council, the Cabinet of Ministers, and the president of Ukraine for delivering oil to our refineries have remained unanswered. Thousands of employees are without wages or other means of subsistence. And this means a further disintegration of Ukraine's national economy, the lack of heat in houses, and the lack of bread on the tables of all the inhabitants of our state.

We appeal to the Ukrainian people with a plea to support our just demand on the government, the Supreme Council, and the president of Ukraine for providing and ensuring delivery of oil to our enterprises in the full amounts.

(For the sake of brevity we have omitted the signatures)

Nowadays in Russia, as it has been explained, all oil is commercial—that is, it can go to Ukraine through the appropriate structures. Unless our oil refineries go into operation now for the winter period, the consequences are even too dreadful to imagine.

But in order to avert such consequences, oil refinery staffers consider that the governments of Russia and Ukraine must come to an agreement on an urgent basis.

And how does the situation look "from on high"? Our attempts to make personal contact with Vice-Premier Yu.Ya. Ioffe were not crowned with success. But Nikolay Popovich, chief of the Main Administration for Petroleum Product Resources of the State Committee for Oil and Gas, declared the following:

"In principle, the present-day situation, as seen by the oil refinery staffers, corresponds to the actual state of affairs. As of 1 December, the refineries in Lysichansk, Kremenchug, Kherson, and Lvov were not receiving any oil at all, while those in Odessa and Drogobych were receiving hardly any. If we take into consideration the fact that the average daily norm for oil refining by all the refineries in Ukraine amounts to approximately 170,000 tonnes, then the oil received would scarcely be enough for just one day of operations.

But the refinery people are wrong in thinking that nobody is stirring about in the political kitchen: The chairman of the Ukrainian State Committee for Oil and Gas, M.P. Kovalko, and other important officials are now in Moscow, where they are specifying and clarifying agreements and drawing up schedules for delivering oil to Ukraine. After this, it seems that they will fly directly to Ufa. There is already a firm hope that in December Ukraine will obtain 2 million tonnes of oil from Russia—considerably more than in the previous month. This will enable us to make sure that the people of Ukraine and the oil refinery employees themselves do not freeze; that would be truly impermissible.

BELARUS

Shushkevich Replies to Reader Concerns

93UN03894 Minsk NARODNAYA HAZETA
in *Belarusian* 13 Nov 92 pp 1-2

[Interview with S. Shushkevich, chairman of the Supreme Soviet of the Republic of Belarus, by A. Klaskowski under the rubric "Firsthand"; place and date not given: "I Believe That Our Children's Lives Will Be More Prosperous, Happier, and Fairer"]

[Text] Stanislaw Stanislavovich Shushkevich, chairman of the Supreme Soviet of the Republic of Belarus, responds to the questions of readers of NARODNAYA HAZETA.

"What would you like to ask the leader of our state?" inquired NARODNAYA HAZETA of its readers some time ago. The response was overwhelming: The editorial board received hundreds of letters and telephone calls. Of course it was necessary to choose from that sea of questions the most typical, timely, and far-reaching. It was on this basis that a dialogue took place between a journalist of NARODNAYA HAZETA and Stanislaw Stanislavovich Shushkevich, who, despite a colossal workload (the session!), did not begrudge us the time for a conversation that was substantial and quite open, as it seems to us—for which the editorial board is sincerely grateful to him.

[Klaskowski] We should probably begin with the letters and calls that are the most timely and, to speak sincerely, fairly sharp in tone. Many readers (in fact there are so many of them that it is impossible even to list their last names) are deeply offended by the decision of the Supreme Soviet to cancel the referendum. One hears the following opinions: The grounds for the negative decision were fabricated; behind it all hides the elementary unwillingness of the majority of deputies to bid farewell to their long-occupied seats; for 18 months the "usurping privatizers" with mandates have managed to ensure themselves a shining future; and in general—ignoring the will of hundreds of thousands of residents of Belarus, our parliament has discredited itself once and for all...

You, in turn, so far as one can judge, do not share such categorical conclusions?

[Shushkevich] You may be surprised, but in my opinion the Supreme Soviet adopted—if not in form then in substance—a most radical decision with regard to the referendum. In addition, the decision was a political one rather than a legal one.

I will try to explain my thinking. Note that the arguments of the Central Electoral Commission amounted to the fact that the Law on the Referendum is incomplete, and if one holds to rational sense, the referendum must be held. But the very incompleteness of legal norms has created a paradoxical situation which could seriously complicate relations within the state. Indeed, on one hand the Constitution does not stipulate a premature halt to the activities of the Supreme Soviet (and thus the initiators saw the sole solution in the referendum, and in this sense I can understand their argument: The will of the people is the supreme will). But on the other hand... Imagine if the referendum were to take place and the majority voted to cut short the activities of the current Supreme Soviet. But the deputies

could consider that this is only a deliberative referendum! It is the right of the Supreme Soviet to give it such a status, and no one has deprived the deputies of such a right. Imagine what kind of collision could arise.

By the decision it adopted, the Supreme Soviet has voluntarily reduced the term of its existence and in this manner demonstrated that it is meeting the people and the initiators of the referendum halfway and that it wishes to speed up constitutional reforms. In this fashion the deputies have taken into account the wish of the public to elect a new Supreme Soviet more democratically than before.

[Klaskowski] The opposition, reflecting on the latest statement, come to a diametrically opposed interpretation on that count... But let us continue the conversation on the condition of state power today. One of our readers, L.I. Isayenko of Berezino, is offended by the fact that many deputies have cunningly taken control of two leadership posts at the same time: "Why do Deputy Pawlaw and others work in the Council of Ministers? Where is the division of their power?"

[Shushkevich] I agree: When both legislative and executive power end up in the same hands it is incorrect and abnormal. In other states there is a mechanism for regulating such a process. Because it is common to choose both ministers and deputy ministers from among the deputies. In our country there are no such ministers, but there are a number of state committees that are headed by deputies. That is actually the same thing—a high position in the system of the executive power. For example in Bulgaria, in this instance, an official remains a deputy, works with his electorate, and may participate in sessions of the parliament, but does not have the right to a casting vote. And that is logical! Because otherwise one creates a composite, a monolith, that controls itself. You know yourself what comes of that...

I raised this problem at the last session of the Supreme Soviet. Unfortunately, the majority did not support me. I will raise it again; I only need to look for a form of expression. Because, I repeat, I consider today's situation to be absolutely abnormal and absolutely impermissible. Unfortunately, the majority of the Supreme Soviet have a direct relation to the executive power at a high level and, naturally, do not wish to lose it. But it is necessary to cut this Gordian knot. Incidentally, the session would work better that way. Those deputies who, for example, head a local executive power would, when necessary, remain at the local level and work peacefully if they had only the right of a deliberative vote at the session...

[Klaskowski] Incidentally, with regard to the local authorities: I.S. Shurn of Bobruysk notes that a reform of the administrative-territorial division of Belarus would help to significantly reduce the army of bureaucrats. "Why do we need six oblasts and 121 rayons, not counting the urban rayons?" he asks.

[Shushkevich] Indeed, our bit of the former Union was constructed on the same plan as the entire USSR. But I would formulate the problem more broadly: We must optimize the system of leadership in general. But for this we need a quite serious analysis of all aspects—economic, transport, and communications. There must be a reorganization. But we do not want to resolve this in a chaotic or

fragmentary manner. We need to work out a considered, justified, republicwide approach and improve the entire system. As far as I know, the State Economic Plan includes such variants. And it is the goal of a whole institute, which is engaged in this.

[Klaskowski] The following subject is very banal but no less painful for many of our fellow citizens: The inactivity of the local authorities, and the callousness and arbitrariness of the provincial bureaucracy—in short, that which it is presently fashionable to call “lack of restrictions.” “The most terrible thing,” writes L.I. Bindzyukov, an invalid from Kopylskiy Rayon, “is that there is no one from whom to request help, no one interested in your griefs and misfortunes.” There are many such complaints—with concrete facts and examples. It seems that many local leaders and their clerks have indeed become quite “unmanageable.” What is to be done?

[Shushkevich] Unfortunately, the current law on the local leadership really does not resolve many troublesome questions. I have taken the position that the local leaders should be selected by all the citizens of the appropriate region. But the Supreme Soviet never included that issue in the agenda of the last session... Now there is one hope: We will adopt a Constitution and on that basis put everything, as they say, in order.

I believe that two competing tendencies must be taken into account: First, as I already mentioned, the local authorities must be selected on a truly democratic basis; secondly, the state vitally needs a strong vertical chain of power as well. It is very necessary to clearly demarcate jurisdictions. Meanwhile this “lack of restrictions” truly exists! The problem is that these “princes,” who were previously the first secretaries of the raykoms [rayon party committees] never did listen to the people. In all the previous elections they appeared as uncontested candidates and grew accustomed to believing that they were “untouchable.”

It was a whole philosophy that went deep into their consciousness, and nothing else can be pounded into the heads of many of our public figures of the old school. Thanks to the strength of their former structure, they seized power. Now their line is quite simple: To show that everything has fallen apart precisely because the “correct” structure was not preserved and to bring it back. But I am convinced that the people, who have felt freedom, will not permit themselves to be driven back into a stall. We have lived through far too much despotism. It seems to me that “their” calculations are all wrong.

In the meantime our line, I stress once more, is a new Constitution and improvement of the law on local leadership. Incidentally, the Supreme Soviet is not working very hard to carry out the decisions already adopted in this direction. We have already granted the right to select local authorities with the permission of the Supreme Soviet. And now they petitioning us for this very reason—Gomel, for example, and other regions—but the parliament is not in a hurry to respond because there are a great number of representatives of the local authorities there and they are worried, it seems to me, first and foremost about the stability of their own posts.

[Klaskowski] You quite appropriately touched upon the question of the implementation of the decisions of the

Supreme Soviet. The letters of Minsk residents A. Makeyew and M. Misyukevich as well as of P.V. Atroshchanka of Gomel point out that the Supreme Soviet hardly monitors the execution of the laws it has adopted, thus presenting an opportunity for arbitrariness of the executive authorities and bureaucratic officials of all types...

[Shushkevich] In this case things are not as simple as they seem. The logic of democratization dictates that the Supreme Soviet should not be engaged in detailed oversight but rather transfer questions of local import to the jurisdiction of the appropriate authorities. Why “drag” a problem to Minsk when it only concerns, for example, Postavskiy Rayon? In such a case it would seem that the local authorities are holding all the cards. But the problem is that they often begin to play those cards like a card sharp: When it is possible to resolve a problem a couple different ways, our officials are accustomed to resolving it first and foremost in their own interests or to the benefit of those structures that created and supported them. And the clearest example of this is with the private farmers. For the present I do not see any support of honest private farmers anywhere. Note that it is difficult to correct this situation “from above,” because it is impossible, you will agree, to establish a single standardized approach to the distribution of plots of land around Minsk, in the Stolin and Rossony regions, and in the zone of radioactive contamination. It is the local authorities who must take into account all the specifics of the situation. But for the present this is how they are “taking things into account”: They are giving the private farmer the kind of land that will dissuade him once and for all from becoming a private farmer!

One can cite other similar examples. This is why I speak about a two-pronged task—together with the development of self-administration, to strengthen the vertical line of government.

[Klaskowski] In the opinion of Minsk resident A. Ablavatskiy (with whom other readers are in full agreement), at the bottom of everything is corruption which, like a malignant tumor, eats away at the system of leadership. It is for this very reason, he believes, that the mass and unpunished shipment of petroleum products, ferrous metals, and other material valuables in short supply beyond the borders of the republic continues, in particular, despite all the “menacing” decrees. The highest leadership barely shakes a finger even at swindling managers caught red-handed issuing illegal licenses right and left... M. Chybisaw of Dyatlovo writes with bitterness about the “cover-up” of the bureaucratic “mafia” and the absence of a mechanism for replacing leaders who have discredited themselves. I.I. Lud of Luninets, N.A. Charnyayew of Dobrushskiy Rayon, and I.F. Kanaplew of Vitebsk asked, in essence, about the same thing: When will the authorities of the republic finally impose elementary order and put the grand embezzlers who have lost their last shred of conscience, the bribe-takers, and the “usurping privatizers” in their place?

[Shushkevich] The excessively delicate “disciplinary measures” of certain of our guiding structures prompts me to serious reflection. When a person “in a post” spits on the law and scribbles out “sham” licenses, he should be thrown out without any discussion! Here, when the cat is let out of

the bag, they say "a" (we have, they say, serious violations), but when it comes to "b"—the punishment of specific culprits—here they consider it better to "separate quietly." Later on you see that such an official surfaces in a commercial structure in the post of our representative with a foreign firm... I do not think that a foreign firm would take some such rogue if it were announced that he had been thrown out for a violation of the law. But everything has been dropped! And so there arises the question: Are these bad friends of ours being assisted in this fashion so that the swindler may not only emerge unscathed but even purchase a new warm spot?

I foresee that the question of some of the people's representatives might arise. If, for example, the press accused me of the things that individual deputies of the Republic of Belarus have been accused of—forgive me, but I would shoot myself in order to wipe remove the shame from my children if it were true, or at least go into retirement. And if I did not consider myself guilty, I would fight for my honor. When people do not bring libel charges and fight for their reputation in court, what is left to think? Perhaps they believe that "one can live with a little shame." That people will somehow gradually forget, I believe this simply does not suit a people's deputy. One must have at least some honor! If you have truly used your deputy's post in order to, for example, obtain a diplomatic passport so you can speculate in Poland; or in order to seize a bit of land and build a fantastic residence, purchasing the construction materials at "discount" prices; or if yesterday you registered your mother-in-law and received an apartment for her in Minsk today... I will note once again: I would either prove that it is not true and require a public apology from those who cast the aspersion, or I would think that after such a scandal I cannot serve and do not have the moral right to be a deputy. Unfortunately, I do not see such a morality among those who should have it.

[Klaskowski] Perhaps it would be best to rely on a strict law and not on high morality. If someone has no conscience, it is not going to suddenly appear...

[Shushkevich] I will add that this means he never had one! The person has deceived his electorate. The system created a screen and presented him as crystal clear when he was immoral, as was the system itself. Now there is no system—while he has remained. Now there is nothing to hinder him. Seeing that it is possible to grab something, he has grabbed it.

Unfortunately, it is very difficult to fight this. An appropriate question is pending in the Supreme Soviet. Incidentally, in many parliaments abroad the problem is resolved quite simply by those rules that are published by credentials and ethics commissions. I have studied this issue and I believe that we too will find an effective solution.

But in general, we will be extirpating dishonesty for a very long time to come. People have been hearing one thing and seeing another for so many years, they have learned that it must be that way. We must reject the evil legacy of the previous epoch. There were times in Belarus when no one in the villages locked their doors—they simply latched them. Even in Minsk I still remember times when there was no worry that someone would break into a home. We

did not have the kind of stealing that we now have. And we will not get rid of it in a day.

In general, these days morality is catastrophically absent. Forgive me, but our teachers have not been presenting a very good example with regard to this either. They have been doing too much protesting lately, in large bodies, and they are even blocking roads in the fight for their wages. I understand their dissatisfaction with material conditions, but what kinds of methods of protest are the teachers using? Have they not been heard in the Supreme Soviet? Have they not been met at all levels? Has not the minister received them? Forgive me, but when a teacher goes out to block public traffic without considering that because of this, for example, someone with the sick, the elderly, or children will not reach a hospital on time or someone will be late to work or a train—I do not know whether he has the right to be a teacher.

You know, I grew up in a teacher's family that was far poorer than today's. But even in the worst times, in the teaching environment we retained a feeling of inner dignity and a deep conviction that the true intelligentsia does not live by bread alone.

[Klaskowski] I agree, but nonetheless many letters require us to talk in more detail precisely on that prosaic theme—one's daily bread. As you might have expected, after our declaration that there would be an interview with you the editorial office was flooded with a genuine wave of complaints about the constant deterioration of life and the impoverishment of the majority of the population. There are complaints from retirees, invalids... (Again, there were so many letters that it is impossible even to list the last names of the writers.) But even those who are in the best of health are often in despair these days because no matter how they struggle they are unable to make ends meet. Here is what Minsk resident A.S. Lahunova writes: "My husband and I work at a ball bearing factory. He, a turner, receives an average of 4,800 rubles, and I receive 1,700. How are we to live and how are we to clothe and feed our children on such a miserly amount? And we work conscientiously..."

P. Myahkow of Rechitsa, A.K. Zvamnovich of Zhodino, and other readers add: The market that is being established here is strange and extortionate. It is a paradise only for rogues. And even that is temporary: There are fewer and fewer goods, manufacturing is collapsing, and sooner or later there will not be anything to speculate on. Are we really sinking into an abyss?

[Shushkevich] Let us analyze it in order. Yes, there are dishonest people who profit from today's crisis situation. What should we do? Two directions for handling the situation are possible. The first is strict revolutionary procedure, where the swindler is put up against a wall. And everyone knows what that has led to. There is another approach—an exclusively legal one. Where one may punish, only according to the law, those who are truly profiteering at the expense of the common man.

I would like to note something else: Even before this they lived at his expense. All these seven decades, about which some speak with such pathos, some people worked themselves to the bone but were duped while others worked little and poorly but lived quite well, because they had

power and created a system for retaining that power (I am thinking first and foremost of the former party nomenklatura and its supporters). Now those people no longer are a party nomenklatura, but they still preserve their former ties and it is only on the basis of laws that one can pull the rug out from under them. If we start shooting, then it is not those that we will shoot—because “they” will again deceive the people, as they always have. Thus there can only be a rule-of-law state.

It is true that at this stage there remain many injustices that the Supreme Soviet has not yet been able to quickly eliminate by legal means. There are many complaints for law enforcement organs and the procuracy. But nor should one forget about the other side of the coin. A fact is a fact: There exist broad sectors of the population that have been raised as consumers. Their philosophy is as follows: They work conscientiously, and the state must provide them with everything. But in a market economy there are other laws, and it is not accepted to count on the state feeding trough in particular. Incidentally, even previously the state did not provide what it should, or, more accurately, it provided only for a narrow circle, and the rest simply were afraid to talk about it... You recall: Some with gray hair were stacked up in odd corners or boarding houses waiting for apartments while others received luxurious suites without going through any line; similar contrasts between the masses and the elite also existed in the provision of medical services, goods, and many other things.

Today's authorities are being abused about everything! For the same old housing problem, for example. But look, the apartment problem is overwhelmed with people who have been standing in line for 17-20 years! Let us look at it: Is it the current authorities who created this problem, or the previous ones, that only fed the people with programs made up of promises?

I do not argue that the state of a certain category of the population has worsened. But at the same time a portion of the citizenry has begun to live better, because it is mastering the methods of the market economy more quickly and relying not on a state acting as wet-nurse but on its own enterprise. Meanwhile a quite small group is making use of the incompleteness of our legislation and profiteering on it. The task is to cut off the negative tendencies and to develop and strengthen the positive ones.

There is no longer a path backward, to the old distributive system—the rubicon has been crossed and one can only pin one's hopes on the development of a healthy market. Take the subject of speculation again: The more people participate in free enterprise and commerce, the quicker we will uproot it. It will happen when there is normal privatization.

No, we should not copy anyone or follow anyone's advice. We must seek our own path, and we will seek it out. The direction has been determined, and there are no alternatives. Let us think: What did our parents leave to today's impoverished generation? They did not pass on any actual property, and this is why it is so difficult for many. But now there is a hope that today's generation will leave to their children some property and they will not end up in such a bad situation. It is predominantly those who live quite well and feel quite good that fear the prospects of

“capitalization.” In order to retain their position they frighten the common people and wish to obstruct those authorities that want to lead the public to a new condition. Their calculation is simple: As they have ruled, so we will rule, and as they have collected, so we will collect from the common people the fruit of their labor...

You say that I am making it all up? Take the telephone directory of the former party nomenklatura and see who from that list has moved on to any kind of “honest” labor. Do not worry: They have all adapted to that very labor that many of the common people consider to be dishonest. They themselves have become daring merchants and tradesmen, and they have leased for commercial structures their own former party buildings, in which it is now difficult even to accommodate a foreign embassy, although it would be logical to do that.

Nonetheless, I hope that we will correct the situation, because the laws whose adoption today's “old guard” so opposes are in fact directed at decisively eliminating the ugly phenomena of the transition period.

[Klaskowski] “The state has robbed us!” That is the cry in the letters of M.M. Badzey of Vitebsk, U. Sawchyk of Svetlagorskiy Rayon, K. Nadzel of Berezino, A.A. Murzo of Verkhnedvinsk, a large group of readers from the village of Pratasevich in Asipovitskiy Rayon, and others. For many years they saved money a kopek at a time on their savings pass books, and now they are back where they started and the miserly compensation and indexation of deposits that was performed despite a increase in prices by a factor of 50-100 looks, in the eyes of these people, like nothing more than an outrage...

[Shushkevich] Let us turn the question around. Who guaranteed the preservation of the deposits? The Soviet Union, is that not true? And all talk to the effect that we overthrew it in the putsch is pure stupidity. Because we preserved the Union to the degree that it was possible to preserve it. Note that we even attracted to this association Ukraine and other republics where a categorical mood on this subject was widespread, and we preserved it to the degree that it was realistic.

What happened with regard to those people's money? It turned out that all deposits must remain in a bank that was in fact transferred to the jurisdiction of Russia. Thus everything has been eaten away by those same nomenklatura party members and the former rulers.

But whatever has happened, inasmuch as we have become an independent state we must resolve this truly painful question to the degree we can. There are several possible directions. I, for example, would use that property which is in the Republic of Belarus, the land itself, a small percentage of it. The land has the greatest value, and with the years it will only grow. Since the state has taken their money from the people, something should be given back. And it should be via the introduction of private ownership of the land. But you know how fiercely certain forces are opposing that...

There is a second direction. It is possible to return that money with a large amount of interest. But where will we get the funds for that when the budget is in tatters? There is no other solution than simply to raise taxes. I would like

to ask: Do these people agree to compensation at the expense of higher taxes? Will there be any gain?

In short, the government must seek out the path of the most dignified and just resolution of the problem. And let us direct such questions to it. We expect an appropriate government decree in the Supreme Soviet.

[Klaskowski] I do not know—perhaps the next question pertains more to the jurisdiction of the government, but the letters are addressed to you... And they are indignant again: Those who at one time "nibbled" at the bonds of the 1990 state targeted non-interest-bearing loan of the USSR feel cheated (V.P. Matusevich of Minsk, M.P. Kuzmin of Novopolotsk, etc.). Incidentally, these authors make reference to Russia: They say that the government there has shown more concern about the owners of those same bonds who live there...

[Shushkevich] I must respond almost the same way as for the previous question. Yes, Russia was able to do somewhat more, because it can sell petroleum, for example. Whereas we can only sell something from our labor. Do we have the moral right to skin everyone alive, as they say, in order to settle accounts on these bonds? I do not know... And again—a possible solution to the problem is through privatization, whereby state property could be used as compensation. I am a supporter of that approach. But in general that is not at all a question for the Supreme Soviet. Why do we accuse the parliament of all of the deadly sins? There is the government with its defined functions, and the Supreme Soviet can only propose to it: "Seek out a solution to the situation, and we will analyze how much your version corresponds to the interests of the people of Belarus and adopt a decision." We are awaiting such a proposal from the government. So far there has not been one.

[Klaskowski] You already emphasized that we need to contribute any way we can to the establish of an economy that is market-oriented and competitive. In the meantime E.M. Hurevich, director of the Halit production and commercial enterprise in Minsk, and S.I. Klimovich, chief engineer, are irritated in their letter at the high authorities over the lack of equality of conditions for various sectors of production: Time and time again enormous indebtedness is written off for bankrupt state enterprises, while entrepreneurs are literally suffocating under taxes... Where is the justice, and is this really how we will revitalize the economy?

[Shushkevich] You know, when you listen to the entrepreneurs, there is no more difficult life than theirs. But when you listen to the directors of the state factories, everything is just the opposite: They, it turns out, are suffering the most. Whatever you like, but I do not know entrepreneurs who, by starting their own businesses, would thereby worsen their living standard. It is another matter that they do not have capital in order to develop production. When discussion turns to that, I note that I would be a great supporter of legislation stipulating preferential taxation for those who make investment in production and in the creation of jobs. A genuinely powerful motivation is needed for the activities of such enterprises if they are to willingly increase output and ensure employment of the population. This is one of the chief tasks on which the

Supreme Soviet is working, particularly the commission of People's Deputies R.I. Unuchka, L.P. Kozik, and M.Ye. Kapytov. The quality of the work that will be done in this direction depends first and foremost on these people. I expect that it will be high-quality work.

[Klaskowski] I propose that we return to the first part of the previous question—about how the monsters of the state economy are kept afloat.

[Shushkevich] Yes, and that concerns me. The solution seems to be that commercialization of the large state enterprises should occur and they should work as independent enterprises within the bounds of state ownership. And when an enterprise is able under such conditions to prove its viability, then it can be made into, for example, several private enterprises and stock shares can be sold. Of course, those who work there will be able to acquire a certain share of that property and will have a certain income when the enterprise begins to work well. But I have the impression that the leaders fear that commercialization more than they fear fire.

[Klaskowski] Pardon me, but what do you understand that term to mean?

[Shushkevich] It means that within the bounds of state ownership a factory or plant begins to work as an entirely independent factory, as a private factory. The enterprise itself does all the buying and selling, but in the process it uses state property. And therefore the state controls that production and imposes taxes. But the main thing is that the enterprise has learned to get by without any state supports, without fertilizer, and without soliciting money. It can get credit, but it must settle its accounts in full. Otherwise—bankruptcy. But even a bankrupt factory can be saved by selling it to those who will impose good production on it. This is how it should be: First—structural reorganization (commercialization), and later—privatization. But many do not wish to take that first step.

And there is nothing surprising in this. Many of our industrial "generals" are not capable of leading an enterprise themselves; they do not know how to make it productive without support and without state fertilizer. We have nourished a clique of such leaders who were quite good at opening the doors of all kinds of high governmental offices. And often precisely thanks to the fact that they entered and asked and lived at the expense of others, their enterprises flourished. And now these "generals" do not wish to part with their privileged positions. There are also other industrial leaders who agree to fundamental changes. But in this case there is another problem: The leaders of the ministries do not wish to lose their subject enterprises because they provide a certain income, and in that case such an enormous administrative nomenklatura would become superfluous in general. However when the law strictly defines procedure for commercialization and privatization, the matter, I am convinced, will improve.

[Klaskowski] And will private farming finally improve? These days the masters of the villages also have more complaints than praise. In particular, V.A. Karnilov of Minsk, A.V. Bitsitsa of Oshmyany, M.I. Sakuta of Berezovskiy Rayon, A.D. Paroshyn of Buda-Koshelevo, and V.V. Halavach of Dokshitsy share their problems... One gets the impression that, just as before, many of the local

authorities are ignoring the laws and the appeals to give private farming living space; and they are openly sabotaging the dissemination of plots and credits and the provision of equipment to the peasants... The authors of the letters are also alarmed that the draft Republic of Belarus Law "On the Right To Own Land" has an article that drops a real bomb on private farming in the form of a formula for collective ownership of land. It virtually leaves today's kolkhozes monopolistic masters of the land.

What would you respond to all these painful questions of the villagers?

[Shushkevich] In the first place I have said, am saying, and will say that I consider that "collective form of ownership" to be simply nonsense. We will not achieve anything in agriculture unless we clearly define what the situation is and what belongs to the farmer at any moment. You do not have to ponder long to understand that the situation with regard to "collective ownership" is a means of setting up obstacles to private farming. No matter what words the leaders of our structures use to cover themselves—the agricultural and legislative structures that pertain to the problem—they have the same goal: To retain forever the **monopoly** of the kolkhoz-sovkhoz system (not kolkhozes and sovkhozes, but **only** kolkhozes and sovkhozes).

[Klaskowski] On the other hand, our reader A.M. Sushchuk of Kobrin, in particular, speaks skeptically about "so-called private farming" and warns about the collapse of the kolkhoz-sovkhoz system...

[Shushkevich] I do not say that it should be destroyed—that would be inadmissible stupidity. But you will agree that it is logical to preserve only the good kolkhozes and the good sovkhozes, and together with them—to allow agricultural structures to flourish on the basis of different forms of ownership. For the present, unfortunately, there really are no grounds to say that we are making any headway with private farming. Today private farmers have only 0.34 percent of arable land. And that land is usually poor and far from the roads. The ones to blame in this, I believe, are predominantly the chairmen of the kolkhozes and the local authorities, who are to a significant degree made up of former chairmen of kolkhozes and those who think like them—they are rarely supportive of the peasants' requests. And they even frighten the members of the kolkhozes: Once there are private farmers they will sit on your neck, you will become hired workers and they will be kulaks. Given our history, it is quite easy to scare anyone you want this way.

[Klaskowski] Well, do you expect any decisive breakthrough in the near future in the direction of the development of private farming?

[Shushkevich] For the present we would just like to maintain the present pace. Because there is growth, and although they are few and far between, we nonetheless have some good peasant farms. If we maintain the pace, then in a year or two we will have good private farms or, in any event, no fewer than of the good kolkhozes...

[Klaskowski] ...If the norm about "collective ownership" is not dragged into the law.

[Shushkevich] Well, the kolkhoz leaders may fight for it—that is understandable at least—but it is simple

amazing that even many of our lawyers support them! You know, no matter how much I consulted with foreign lawyers, highly qualified lawyers, not one could imagine anything similar... Of course, the private farmers could create an entirely new cooperative structure, associating themselves on a fair and exclusively voluntary basis. Incidentally this is also done in many countries.

Many of our leaders have outdated, stereotypical views with regard to not only private farming but other new tendencies in economic life as well. One of them is a valid examination to a certain degree of the production specialization of the republic. We, for example, produce much meat. But for that we need much grain—from Russia and Kazakhstan. And now in a number of instances such production is unproductive because the cost of grain is greater than the cost of meat. But as soon as adjustments are made on the basis of market relations, you see what an outcry there is at once: They say, we will reduce the number of head of livestock, destroy animal husbandry, etc. But many do not make a purposeful analysis. Recently I visited a large complex for fattening pigs near Borisov. And you know, the director was right when he said that these days the complex should be working at 50 percent of its capacity. He said that in addition to fattening the pigs it is necessary to organize some additional production and make an expert analysis to find new methods to eventually produce output that can be sent abroad. There is no other way, unless it is to simply ask for subsidies.

The situation is similar in the poultry industry. We have one of the best systems for the breeding of poultry and production of eggs, but for each egg and each kilogram of meat the state must grant a subsidy that is almost as much as the output costs... That is illogical! There is no market regulation. And it is alarming that such a sector might vanish. It is alarming because it would mean collapse. Thus, we must have a timely restructuring—in other words reducing the volumes of some types of production, increasing others, and creating new ones, and this work must not be obstructed...

[Klaskowski] But large numbers of our readers are quite afraid of the fate of progressive reforms both in the economy and in politics. A return of the nomenklatura to the ascendancy, the danger of which is growing all the time, may bury all our hopes, believes A.M. Lukashevich, a resident of Minsk. Other anonymous writers from Bobruysk note your quite unsteady surroundings: "I do not want you to repeat the path of Gorbachev, because they may 'exclude you from the game' at any moment—that is apparent even to the common people." The letter of L.A. Sushchanka of Minsk contains similar thoughts. V.F. Mykolnikaw, a member of the ADPB [expansion unknown] of Novolukomlya, points to the threat of a "red-brown" dictatorship.

Do you share these concerns?

[Shushkevich] First let me note that I do not think I will repeat the path of Gorbachev, because I believe I have quite different methods.

Second, there are two different questions here. A mafia-like association of the former nomenklatura is one thing. In this case there should be normal state opposition, as to

any criminal group. A separate matter is the legal association of like-minded people, people of consonant political views, even when they seem to many to be conservative. I, incidentally, am satisfied that during the rallies on 7-8 November here there was no violation of public order. People succeeded in demonstrating their views peacefully. They walked with red banners and (as opposed to past times when others came out with white-red-white banners) no one attacked them or restrained or insulted them. And for their part they observed order. I see in this a certain growth of political consciousness or, I would even say, political discipline. And if we persecute someone for his views or begin a "witch hunt," then what did we fight for, as we say? Let ideas compete freely. And the people, I am sure, will see for themselves what is right.

[Klaskowski] So that ideas may compete freely one also needs, in particular, a free press. But in the meantime, as H. Pakhom, a reader from Molodechno, notes, the Belarusian mass media have to a great degree ended up under the jurisdiction of the Council of Ministers. State support of publications is one thing—it is practiced in many different countries; but when the state uses this process to turn newspapers, for example, into practically its own organs, it becomes a noose for free speech!

[Shushkevich] On one hand, it was necessary to save in one fashion or another those mass publications with their staffs that found themselves in a difficult financial situation at this first stage. But the path we chose was not really the best. Incidentally, the results of that monopolization are already being observed—from time to time you feel that there is a structure that guides this conglomerate of "organs." And only one thing is reassuring—that this force is fairly straightforward; it serves the leaders fairly primitively, sometimes to extremes. I do not wish to offend the talented, honest journalists: Under any conditions, in any publications—"sheltered" or "unsheltered"—they maintain their professional and human dignity. But a certain category of employees of the "sheltered" press remain in the condition of supplicants even as the other press, the "unsheltered" press, learns at this time to work as it should and flexes its muscles, and its time will come sooner or later.

I fully agree that to have nine or however many organs of the Council of Ministers is simply nonsense. It seems to me that one informational organ is sufficient. Commissions of the Supreme Soviet are analyzing this situation. We receive many letters on this score. And the situation with the "fourth estate" will be corrected.

We must get away from subsidy politics in general. We should only support not those that try to praise the government but rather those that function most professionally and provide objective information on the state of affairs.

And, of course, the Belarusian language press is of special concern under our circumstances: At present out of 100 subsidized newspapers and journals only seven are Belarusian language publications. The Council of Ministers would do well to consider this.

[Klaskowski] Many readers are quite troubled in general by the language question. The letters of M.V. Khatkevich of Minsk and A.R. Lagoyka of Bobruysk are on this subject

in particular. Our writers note that the Russifiers have embarked on a "final and decisive attack" and make this appeal: Stanislaw Stanislavovich, do not permit legalized bilingualism, because it will be a death sentence for Belarusian.

And what if the Supreme Soviet truly makes such a criminal—as our readers believe—decision? L.I. Tsyareskhka of Grodno puts the question point-blank. What will you do?

[Shushkevich] I am doing all I can so that things do not go that far. It seems to be that behind the calls for bilingualism there most often lie the usual laziness and inability to learn anything. And, incidentally, the efforts of those who consider themselves sacred, genuine veterans are charging the atmosphere to a great degree. I would like to emphasize that. Many of them are representatives of other nationalities and other countries. They do not have a moral right to fight against the language of the country that has sheltered them and supports them. And I would like to add that those in Belarus who might also fight for the language lie in Khatyn and in the common graves of the Great Patriotic War, one-fourth of whom were shot. It is amoral today to attack the language of the people who have lived since earliest times on this land, who have constantly been destroyed, and who, incidentally, by their sacrifices contributed to a significant decree to the free development of neighboring peoples.

We have suffered more losses than anyone else. Let us count in the referendum for which some people are calling the votes of those who were killed for their language. And not only by the fascists but also the Soviets and the repressive structures of the NKVD [People's Commissariat of Internal Affairs]. Let us count all their votes in favor of Belarusian identity!

[Klaskowski] Belarus feeds an enormous military force that, in essence, remains a foreign one; the headquarters of the military department are inflated; the generals and higher officer corps are immersed in plundering and corruption, and many from that environment feel nostalgia for the times of the communist empire and dream of their return; it is abnormal when the overwhelming majority of high military posts continue to be filled with those who have come from a foreign state... In order to reduce the danger of a "fifth column," we need to create a true Belarusian military force as quickly as possible! That, in abbreviated form, is the sense of the letters of M.I. Sadovskiy of Belynichi, A.V. Tserakh of Borisovo, and A. Pitkevich and R.A. Lipskiy of Minsk (the latter believes in general that a pro-imperial lobby, so to say, is seated in the Supreme Soviet).

Are they overgeneralizing? Or are all these cries for the quickest possible Belarusification of the military justified?

[Shushkevich] It would be more precise to put it this way: Not so much Belarusify as de-Russify. It is no sin to recall that at one time Marshall Heorhiy Kanstantsinavich Zhukaw gave military orders in Belarusian and knew Belarusian. But today's servicemen, unfortunately, have forgotten about that. Or, perhaps, they simply do not possess such abilities?

We must insist that the process of defining where whose troops are and where this or that serviceman is to serve be completed this very year. In the meantime it is impossible to adopt more accommodating measures than ours. But even at the session it seems that even these measures give rise to irritation on the part of the officers and generals... Well then, as they say, forgive me my dears!..

[Klaskowski] Unfortunately we have run out of time for our discussion. Permit me a last question—it is posed by the writers of many letters, for example P.I. Shyla of Uzda and M.K. Starkevich, D.K. Kaltovich, and K.H. Dzenisevich of Minsk: When will this "transition period" that curses the people finally end; when will the exit from the crisis, from poverty, finally begin, or at least when will we glimpse some light at the end of the tunnel? Of course predictions are a risky thing, but...

[Shushkevich] I am an optimist. Things are not all that bad, anyway, and today there are powerful enterprises where the people do not complain and there are encouraging tendencies. Those who have oriented themselves and understood that new times have arrived when one must count first and foremost on one's own initiative, energy, and talent are demonstrating models of business success in these difficult times.

I will not offer a specific period of time, but I believe that within a short time matters will turn for the better. One should not count on miracles, of course, however there is no reason to announce the end of the world either. Belarus has survived worse times. And I believe that our children's lives will inevitably be more prosperous, happier, and fairer.

Understandably, there was not time to ask a large portion of the questions during this dialogue. But at our request the chairman of the Supreme Soviet assured us: All the remaining letters that require the analysis, consultation, and assistance of appropriate offices will be reviewed by the apparatus of the higher authorities by the most attentive officials. Thus we will consider that the action of the editorial board will continue and will yet help many readers of *NARODNAYA HAZETA* to receive a response on the questions troubling them.

Kebich on Government Economic Strategy

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[Report on interview with Vyacheslav Kebich, chairman of the Council of Ministers of the Republic of Belarus, by Lyudmila Maslyukova, SOVETSKAYA BELORUSSIYA correspondent, on 11 November; place not given: "Semi-annual Strategy Developed by the Government of Belarus"]

[Text] The basic thesis of the semiannual strategy was set forth by Vyacheslav Kebich, chairman of the Council of Ministers of the republic, in a speech to the collective of the people's enterprise Bobruiskdrev on 6 November and during an interview with journalists on 11 November.

The interview questions were prompted by life itself, and today we are informing readers of the answers that the government presented.

What is happening in the CIS, and how are relations between Belarus and Russia faring?

For Belarus, friendship with Russia remains the cornerstone of foreign policy toward nearby foreign countries. It remains—no matter how the government is reproached for alleged improper orientation toward the East and not the West.

The economic interests of the republic are oriented toward the East. We are achieving mutual understanding with Russia, all the complications notwithstanding. The latest example of this is the quota for 16 million tonnes of oil for the coming year that have been earmarked for Belarus. After the visit of the governmental delegation to Tyumen, it acquired real meaning.

With Leonid Kuchma's arrival in the post of premier in Ukraine, the efforts of Belarus to arrange contacts with this republic will certainly be more successful.

If three European and three Slavic peoples succeed in uniting, and if pride is prevented from hindering their work, we will be able to live a lot better.

Owing to the continuing and strengthening ties with Kazakhstan, Belarus is being provided grain. Kazakhstan is starting large-scale development of its mineral wealth. This shows once again that close economic cooperation with this republic is beneficial to us, who need raw materials.

The interests of the CIS member countries are far from being easily cleared up and integrated. At the end of last week four large Commonwealth countries—Russia, Ukraine, Kazakhstan, and Belarus—once more discussed the general principles of mutual relations in Moscow.

No matter how complex and at times painful the process of restoring disrupted economic relations in the CIS space is, it is necessary to implement it logically and purposefully.

Belarus must take care of its sales markets in the former Union republics—this is the position of the government, and specific plans will conform to it.

Will the West help us?

Practice has convinced us that we should not count on the assistance of foreign "uncles." All it takes is to remember how the United States "is feeding" Russia with promises—to allocate many billions in credits. And all the time reasons arise for postponing the fulfillment of these promises.

First, no one gives his money to anyone for nothing. Second, the West already does not have much of a reason to promote the expansion of Eastern commodities on its own long since divided markets. Why have unnecessary competitors?

However, this in no way means that Belarus does not have interests in the West. It must be "won" most of all with one's own forces, while maintaining contacts and market sales in the CIS. We are obliged to fight for markets not only in Europe but in Asia and South America as well.

Nonetheless, a breakthrough is impracticable without the credits of developed countries. The whole point is that they not be economically and politically secret. It is no secret that in exchange for its money the International Monetary Fund would like to regulate the internal life of the republic.

We need credits of the type we received in Austria: long-term, at low annual interest, and with payments beginning after eight years.

It is necessary to use them as investments in industry, but not for consumption. The government intends to control this strictly. Only several items may constitute an exception: grain, sugar, vegetable oil, and medicines. Hard currency will be invested in those branches and enterprises which, owing to the development of exports, are able to count on credit.

It is very important to realize: The republic will receive foreign credits only if there is stability. All it will take is to move and to set the popular masses in motion—and all the investors will turn away.

We have something to sell to the West. Indeed, the republic is unable to trade only abroad. Under barter transactions the government, for example, allocated potash fertilizer to enterprises. Our "merchants" threw commodities on the market together, started competing with one another, and knocked down the price from \$90 to \$60 per tonne.

After analyzing the situation with exports, the government came to the following conclusion: While not interfering in the foreign economic activity of enterprises, introduce a monopoly in state foreign trade.

Did a collapse occur in industry and agriculture?

A local drop in production occurred in industry: In oil refining, a reduction in the output of unmarketable products, and in the former defense industry, whose share was 30 percent of all machine-building. In October the drop began to wane and constituted 4.5 percent. Taking the more unfavorable indices into account at the beginning of the year and of the summer, the average for the year will apparently be on the order of 10 percent which, incidentally, was assumed and counted by the Council of Ministers.

For comparison: For the same period in Lithuania the level of industrial production dropped by 45 percent. Kolkhozes and sovkhoses there were forcefully disbanded. Hot water is provided in the cities only on days off. This really is a crash, in many ways predetermined by virtually a full breakdown in former economic ties. "Independence" from old partners is costing a lot.

How does one live from pay day to pay day?

First, about those for whom this is most difficult of all to do. The Supreme Soviet approved a new minimum wage of 2,000 rubles [R]. The state added an additional R500 each month for pensioners. In the interests of the lesser paid categories of workers, the wage rate scale is being examined in order to reduce the disparity between them and well-paid workers.

The decree began to go into effect starting 1 November, but people will receive the new wages and pensions in December, inasmuch as time is needed for recalculation.

The second important event: Parliament gave the government the right independently to increase the minimum wage, because prices are continually rising.

The Council of Ministers decided that wages cannot lag behind prices by more than 25-30 percent. As soon as this ratio is upset, the government will raise the minimum wage again.

There can be no question of any kind of freezing of wages as long as prices are unstable.

Starting in January 1993 the government will stop the distribution of subsidies to the producers of agricultural products. Analysis showed that the subsidies do not reach the kolkhozes and sovkhoses but accumulate in processing enterprises and meat combines in the form of high wages that have no justification. The Council of Ministers will send subsidies not for meat or milk but directly to the pockets of the buyer of products, so that it will be easier for him to live from pay day to pay day and, at the same time, choose products according to his tastes and needs.

In the coming year the Council of Ministers planned to allocate the same sum for state subsidies as in the current year, but only with indexation. The government will earmark the necessary money from the republic's budget, but after this it will distribute it for all the remaining urgent needs.

The government guarantees: The population of Belarus will not be left either hungry or cold.

What will get more expensive in the near term?

We will raise the price of vodka. Thirteen kopeks for a square meter of housing—today it is nothing, such "pay" adds little to the budget.

It must be acknowledged honestly: The government cannot keep prices down. They will grow because of an increase in the prices of energy sources, and this factor is singular and insurmountable.

There is also the internal factor. The producers of products inflate wages for themselves, which become a part of costs, but tomorrow they, in the role of consumer, stand stupefied in front of the price list and...curse the government. Of course, the Council of Ministers endeavors to influence this trend by restricting, for example, the level of profits of monopolist enterprises.

However, no matter how much prices long for freedom, the government will regulate them for such things as bread, milk, vegetable oil, and meat—food products must be accessible to the people under any circumstances.

Restraining prices, more stable production, and other factors have led to the fact that consumer products and commodities are cheaper in our country than in all of the CIS. This achievement became a misfortune: The internal market is being drained by "merchants" from contiguous countries who are making a profit out of the difference in price. What is to be done?

The government is being presented the most rational economic method of defense: Equalize our prices and CIS prices and increase wages correspondingly.

Who will stop speculation?

A beginning was made when the Council of Ministers announced a state monopoly on the sale of alcohol and tobacco items. Cooperative kiosks expressed extreme indignation—this means that the blow was delivered correctly.

In the near future the government will arrive at a decision on closing all commercial structures at all state establishments. It is not a question of stores, for example, Ptitseprom, which itself produces products and sells them. This is the first stage of a market, of honest commerce. State establishments are prohibited from purely intermediary activity that "produces" only an increase in prices.

Resale as such, especially for free structures, cannot be prohibited. But in reselling a commodity even five or even 10 times, they cannot henceforth set a price for it that is higher than 30 percent with respect to the state price. Out of this 30 percent they will have to take care of expenditures for transportation, storage, and other operations.

What actions are being planned against the corruption of authorities and highly placed officials?

At the session of the Presidium of the Council of Ministers, V. Zarenok was dismissed from his post and A. Tsygankov was reprimanded. The decree of 24 September of this year, in which the aforementioned supervisory personnel were mentioned, was "elaborated" in this way, but they have not been punished yet because of leave of absence and illness.

In general, the government has taken a tough and long stand in the fight against the "cancerous growth" of corruption. The people's deputies have also joined in this fight, and they are examining this problem at their level. Now, legal levers of influence on amateurs who are in a "remunerative" position and who try to get rich at the expense of the state are being developed. The new package of laws will speed up the law enforcement system, and it will be possible to change the situation for the better through our united efforts.

Does the Council of Ministers plan to reduce itself?

Changes will take place in the near future.

First, there are serious complaints against some officials, for example, Minister of Agriculture and Food F. Mirochitskiy: The department is not undertaking progressive reorganization. It is planned to make big personnel rearrangements here. As, by the way, in a number of other ministries and departments, and also in the apparatus of the Council of Ministers.

Second, the government has decided to eliminate branch departments of the Council of Ministers and, owing to a reduction in the intermediate level, to raise the role of the ministries themselves.

What lies ahead now: politics or economics?

The long-awaited transition to that succession which the government of Belarus considers normal has been planned: Politics is a derivative of economics. It is not without reason that in Lithuania Sajudis, which ignored economic factors, suffered a political defeat by Brazauskas. A sobering up started after the stormy rallies and passions.

Economic ties between the republics of the former Union were disrupted to please "pure" politics. The effects of this are still being felt. At the meeting in Bishkek the absolutely sensible idea of the president of Kazakhstan to establish a coordinating organ of the CIS was rejected because some politicians did not like Nazarbayev's personality. In the absence of a coordinating center the already difficult tasks of restoring everything that was destroyed and trampled are made ten times more difficult.

With whom and with what are people's fronts fighting now?

The Belarusian People's Front grieved more than once that people's fronts came to power in almost all the republics of Central Asia and the Transcaucasus but Belarus lagged behind. Now, no one has to explain how this turned out. Since the beginning of the slaughter in Tajikistan, 20,000 persons perished in two months!

The government expresses the hope and confidence that the Belarusian people will guard against such tragedies. For its part, the Council of Ministers, not just for the next half year but as a strategic policy, affirms the priority of peace in its own home and friendship with Russia and with neighboring and distant states.

Parliament Leader on Draft Constitution

93UN0476A Minsk NARODNAYA HAZETA
in *Belarusian* 21 Nov 92 p 1

[Interview with V. Shaladonaw, deputy chairman of the Republic of Belarus Supreme Soviet, by A. Fedaraw of Belinfarm under the "Firsthand" rubric; place and date not given: "Vasil Shaladonaw: 'The Parliament Must Require Execution of the Laws'"]

[Text] Four weeks of work of the tenth session of the parliament have passed. During the short break a correspondent of Belinfarm met with Vasil Shaladonaw, deputy chairman of the Republic of Belarus Supreme Soviet.

[Fedaraw] Vasil Ivanavich, what is your evaluation of the course of the session?

[Shaladonaw] Compared to previous sessions, it is marked by a more constructive approach of the deputies to the examination of the draft bills submitted for discussion. A third of the agenda has been discussed—that is normal. However, there has been a certain cost: At the end of the fourth week I noticed a decline in the level of activity of the deputies.

[Fedaraw] The journalists accredited for the session are noting the absence of alternative draft bills, of which there was no shortage at the previous parliamentary forums.

[Shaladonaw] Alternative documents appear, as a rule, as a result of the conceptual divergences of the advocates for this or that issue. In the preparation for this session a

positive role was played by the Consultative Council, which performed a prior "smoothing" of the main legislative acts submitted for review. In addition, a certain experience of legislative matters has been accumulated in the parliamentary commissions. Whereas previously their activities were marked by sharp opposition and an unwillingness to accept an alternative position, now the desire to take into account differing points of view and opinions is uppermost.

[Fedaraw] Let us look at the key questions of the beginning of the session. The first is the opening report of the government on the conditions of the economy and measures to stabilize it. Do you agree that the government, in the words of its prime minister, "is doing everything possible to soften the results of economic difficulties for the people"?

[Shaladonaw] Circumstances in the economy are continuing to worsen. Thus it is impossible to say unambiguously that everything is being done. Incidentally, even Vyachaslav Kebich acknowledged in his report the fact that the Council of Ministers is not doing enough. And while the Council of Ministers Presidium is trying to have an active influence on the economic situation in the republic and improve it, the same cannot be said about the individual ministries and committees. Clumsiness, lagging behind events, and an inability to forecast the situation and influence it are the basic features that characterize the work of such departments.

[Fedaraw] If that is the case, are not the formulations of the decree on the opening report of the government—"to take it into consideration...to recommend that the proposals and critical remarks of the deputies be reviewed"—not quite neutral nor, let us say, quite obligatory?

[Shaladonaw] I agree that they are mild. There should be no servility on the part of the Supreme Soviet. The parliament must require execution of the laws and stabilization, on their basis, of the economic situation in the republic. I believe that the decree could be more specific and, perhaps, more severe. But, you see, given the existing situation the deputies considered it necessary to search for a path of consolidation with the government instead of aggravating relations.

[Fedaraw] The opinions expressed in debates concerning the Basic Law of the Republic of Belarus run the entire spectrum: from requirements that the provisions of the Constitution of the Belorussian Soviet Socialist Republic be executed and accusations concerning the "restoration of capitalism," to complete nonacceptance of the draft bill as antidemocratic. When will a draft appear that satisfies the majority of the members of the parliament?

[Shaladonaw] Behind the emotions, which were excessive during the discussion of the draft of the new Constitution, I see first and foremost a superficial familiarity of my colleagues with this document. We cannot be guided by the previous constitution—it is hopelessly out of date. And it is impossible to enforce its provisions in its new constitution. The parliament has already adopted decisions on privatization and destatization and it has conceptually acknowledged private property... And today it is impossible to legislatively enforce "unwarranted leveling," although many still hope and defend "universal equality."

There are already many entrepreneurial people, and with the development of market relations an increase in accumulation and capital is inevitable...

Some people will be able to pay their own way for education, medical services, etc., while on the other hand a portion of the citizens will remain who will require social protection, which the state must guarantee them as basic human rights. All this, first and foremost, must be reflected in the Basic Law of the republic.

Prior to March of next year a draft of the Constitution will be prepared and revised taking into account proposals and additions that have been expressed; final adoption of the Constitution is planned no later than July 1993.

[Fedaraw] In the discussion on the question of the referendum, both its opponents and its supporters agreed on one thing: The "for" and "against" of the referendum will lead to a splitting of society into conflicting sides. Is the decision adopted by the parliament a sufficient compromise in this situation?

[Shaladonaw] In my opinion, no split in society would have taken place. A referendum is a clarification of the position of the majority, and at this level one should not fear it. As for the compromise decision—to hold early elections to the Supreme Soviet in March 1994—I believe that it is the most acceptable decision.

Parliament took into account the opinions of those people who put their signatures on the proposal of the initiative group to hold a referendum as well as objective reasons why it would have been impossible to hold it in the near future: the difficulties of the preparation and organization of the referendum and the counting of votes, the complexity of convening a session with regard to its results, etc. In addition, we need to create a legal base for new elections and adopt a constitution and a number of laws, which cannot be delayed... In the end, just as much time would have been used up, plus material expenditures. The early elections in March 1994 will offer voters the opportunity to either confirm the authorities of those deputies for whom they voted in 1990 or to choose new ones.

MOLDOVA

President Makes Official Visit to China

Joint Communiqué

93UN0444A Chisinau NEZAVISIMAYA MOLDOVA
in Russian 14 Nov 92 pp 1,2

[Joint Communiqué issued in Beijing on 7 November 1992: "Joint Communiqué by the Republic of Moldova and the People's Republic of China"]

[Text]

I. At the invitation of Yang Shangkun, president of the People's Republic of China, Mircea Snegur, president of the Republic of Moldova, spent the period 5-10 November on an official visit to the People's Republic of China.

The general secretary of the Chinese Communist Party Central Committee, Jiang Zemin, President Yang Shangkun, Premier Li Peng, and President Mircea Snegur

exchanged opinions on matters of bilateral ties and international problems of general interest; they also informed each other about the internal situation and programs for developing their two countries. This conversation took place in a friendly and constructive atmosphere.

II. The two sides unanimously recognize the great importance of this first meeting between the leaders of Moldova and China at the highest level. They specified the main principles of the bilateral ties between the Republic of Moldova and the People's Republic of China; they also called for facilitating the further development of mutually advantageous and profitable cooperation between the two countries, as well as the preservation of peace and security in the region and throughout the entire world.

III. The Republic of Moldova and the People's Republic of China will develop bilateral ties in accordance with the principles of the United Nations Charter and based upon the principles of mutual respect for sovereignty and territorial integrity, nonuse of force, noninterference in internal affairs, equal rights, mutual advantage, and peaceful coexistence.

IV. The two sides will provide for contacts between the governments, ministries, and public organizations of the two countries. The ministries of foreign affairs will consult with each other on matters of mutual interest.

V. The two sides will cooperate based on the principles of equity and mutual interest in political, legislative, scientific, technical, and cultural fields.

VI. The two sides unanimously consider economic and trade cooperation to be an important component of bilateral relations. They will apply their efforts to seeking out new forms of economic and trade cooperation, giving priority to cooperation in the sectors of electronics, electrical engineering, instrument building, communications, agriculture, light industry, and food industry. Within the framework of their domestic legislation the two sides will create favorable conditions for the mutual stimulation and protection of investments. The two sides ascribe particular importance to training and upgrading the skills of specialists and management personnel in economic sectors.

VII. The two sides will cooperate in the area of environmental protection and the rational utilization of natural resources. For this purpose the two sides will step up the exchange of information and widen the sphere of cooperation based on mutual trust, equal rights, and mutual advantage.

VIII. The government of the Republic of Moldova recognizes the government of the People's Republic of China as the sole legitimate government of China and considers Taiwan to be an inalienable part of its territory. The Republic of Moldova declares that it will not establish official relations with Taiwan.

IX. The People's Republic of China supports the efforts of the Republic of Moldova in the matter of asserting its own independence and sovereignty.

X. These talks revealed similar stances on the part of the two countries with regard to the fundamental issues of the present times—peace and development, disarmament, putting a stop to the arms race, the struggle against

hegemonism and the policy of dictatorship in international problems. The two sides recognize for each of the countries the right to choose this or that social system, derived from and proceeding upon the wishes of the people. Differences in ideology, as well as those pertaining to the choice of an economic model and paths of development, should not become obstacles for the development of relations and normal cooperation between various countries. All countries—large and small, powerful and less powerful, poor and rich—are entitled to decide their own destiny, to enjoy equal rights in examining, considering, and solving international problems.

XI. The two sides again proclaim their adherence to the goals and principles of the United Nations Charter and the commonly recognized principles of international law. They advocate expanding the role played by the United Nations in the peaceful settlement of regional differences and conflicts, ensuring international security, and establishing a new and just international political and economic order, based on the principles of peaceful coexistence, equality, and mutual advantage.

XII. The two sides declare that the comradely cooperation between their two countries is not directed against any third country and does not infringe upon the interests of any other state.

[Signed] On behalf of the Republic of Moldova: Mircea Snegur, president of the Republic of Moldova.

[Signed] On behalf of the People's Republic of China: Yang Shangkun, president of the People's Republic of China.

Snegur Interview

93UN0444B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 17 Nov 92 p 1

[Interview with Mircea Snegur, president of the Republic of Moldova, by National Radio and Television and by the Moldova Press Agency; place and date not given: "The Visit to China Fully Justified Our Expectations"]

[Text]

[Correspondents] Mr. President, upon your departure for China, you called this visit very important from the viewpoint of politics and unprecedented from the viewpoint of history. Now that the visit is over, could tell us whether your expectations were justified?

[Snegur] Yes. I consider that the visit to China fully justified all our expectations. We became acquainted with the economic, political, and cultural life of the largest country in this region of Asia. We were extremely interested in the course which economic reforms are taking in China, including the utilization of foreign capital investments and the creation of free economic zones. I consider that this experiment, which is being conducted firmly by China's leaders, is worthy of being applied by us under our conditions. That's first and foremost. In the second place, the meetings which were held with the highest leaders of the People's Republic of China, as well as with important local leaders from the city of Shanghai, the province of Fujian, and the city of Xiamen, showed us that China intends to support relations of friendship, along with economic and cultural ties, with the Republic of Moldova.

And I think that we should take advantage of this opportunity. I would also like to note that the bilateral agreements signed between the ministries and departments of Moldova and China make it possible for us to proceed to fruitful cooperation right away. During the brief time period of our visit to that country the delegation members accomplished an enormous amount of work.

[Correspondents] Despite all the problems—some of which are inherent to us also, while others are specific only to this country—in China the economic reform is still making forward progress. In this connection, what do you consider applicable to the Republic of Moldova for the purpose of speeding up the processes which have already begun in the economy?

[Snegur] I consider that what we need—first of all—is discipline, discipline in the full sense of that word, proceeding from awareness and conscientiousness. What we are talking about is not dictatorship, but a genuine discipline, a sense of responsibility on the part of each person for the job entrusted to him: whether it be at a lathe, where he turns out parts, or at the levers of a tractor, which plows a field. We were convinced once more that nothing can be achieved without enormous, responsible labor. Then too, I would like to emphasize that Moldova's economy must be opened up for foreign investments. We should not be afraid of this. We need to have banks which would be able to guide these investments, and we should also have joint ventures, which would create new jobs because, of course, it is a well-known fact that there are already unemployed persons here in Moldova, and their number could increase even further as the privatization and modernization of enterprises proceed.

In China we became convinced once more in the effectiveness of these measures: both when we were told about the policy of a socialist market in the economy, and when we visited the localities and saw specific examples. It is well known, for example, what the relations between Taiwan and China used to be like. However, in Xiamen we saw enterprises which had been built and were operating on capital belonging to entrepreneurs from Taiwan. Consequently, why shouldn't we in Moldova have similar enterprises? If we wish to strengthen our own independence, if we wish to saturate the market with consumer goods, and provide jobs for the population—including jobs based on freely convertible foreign currency, we must become more open, at least to a certain extent. The problem is that there has been a great deal of talk on this score, whereas what is required are specific actions. We saw such specific deeds in China, and we would like such results to be manifested as soon as possible here in our own country. This could result from the Parliament working out and passing special programs.

[Correspondents] Mr. President, in connection with the fact that what we are talking about is Asia—into which Moldova is still taking only its first few steps—what do you see in the future as Moldova's policy in that part of the world? What political importance do you attach to the visit to China? And what support—in your opinion—can Moldova count on from China in the world arena as well as in international organizations?

[Snegur] Yes, we should also talk, of course, about the political significance of the visit. And this significance of the visit is very great because China has remained faithful to the five main principles of cooperation with all countries—principles which, as was emphasized at all the meetings which were held, demonstrate the fact that the People's Republic of China is opposed to hegemonism. That means that all countries—large or small—should regard themselves as equals on Planet Earth, and—consequently—Moldova is of definite and specific interest to China.

What kinds of paths can there be for further development of relations with this country? I consider that this depends upon us to a great degree, on to what extent we will be able to convince ourselves that the most intensive cooperation is in our own best interests. The experts will have to work out and specify certain aspects of the agreements which were signed so that we can proceed to implement them as rapidly as possible. And—in connection with this—returning to the first part of your question on China, I want to add that we understood that this country will support us in all our actions with regard to asserting our independence and all our intentions with regard to strengthening cooperation.

[Correspondents] Mr. President, the Republic of Moldova is one of the smallest countries in Europe, whereas the People's Republic of China is one of the largest countries in Asia. In your opinion, what could be the points of contact for an equitable cooperation between these two countries?

[Snegur] I think that the creation of joint ventures could become a definite point of contact—all the more so in that we already have such enterprises in the light and processing industries, and Chinese technologies have achieved an extremely high level of development, based—I repeat—on the technologies of the leading firms of Taiwan, Hong Kong, etc. Consequently, what we are talking about is the creation of such joint firms. That's in the first place. In the second place, we can develop trade ties and an exchange of products. It should be said that we too have certain specific items which are of interest to China.

[Correspondents] Relations of mutually advantageous cooperation with the world's countries constitute a guiding principle for the Republic of Moldova as a young, independent state. I would like to find out its prospects along these lines.

[Snegur] If what you have in mind is foreign policy—and that seems to be the brunt of your question—it can be said that Moldova is striving to maintain mutually advantageous, bilateral ties with all those countries with which we already have diplomatic relations. Therefore, we need to make a few more official visits, as well as receiving the leaders of certain countries here in our country. I think that a number of such meetings will take place before the end of the current year. For example, Germany intends to open an embassy in Chisinau this year. Consequently, foreign-policy activity is continuing, and our appropriate ministry has a very great deal of work to do.

But I would also like to emphasize the following factor: In addition to the foreign-policy department as such, this activity should likewise encompass all other ministries and

departments, and especially those having to do with foreign economic ties. Political actions should be accompanied by economic ones. This is the ultimate goal of our activity in the field of foreign policy. As to future prospects, it is still too early to talk about them nowadays. However, if we succeed in completing the intended visits before the end of this year and meet with the leaders of certain other states, then it might be possible to tell you something more specific at the beginning of 1993. I would not like to predict any such events because it is difficult to say precisely what and at what time such-and-such agreements or treaties might be signed. You yourselves have seen how the process of negotiations swings around and, in particular, how negotiations on economic problems are conducted. But—even though this is difficult—we will continue to persist along these lines.

[Correspondents] At the time that the meetings and conversations were held, a lively interest could likewise be seen on the part of the Chinese leaders toward Moldova because—as it seems to us—Moldova is situated at a geostrategic point in Europe. In your opinion, to what extent could Moldova serve as an intermediate link between Asia and Europe?

[Snegur] You wish to emphasize that this was what we had in mind during the course of the talks. I consider that Moldova is fully capable of meeting these requirements, and not only those of China alone. Indeed, Moldova is geographically situated in the center of Europe and—because of this—is of enormous interest not merely for foreign investors and bankers, but also as a connecting transit point between Asia and Europe. And, in my opinion, no complication at all should arise here—neither at the level of the chiefs of the appropriate ministries or departments, nor in adopting specific measures—measures can and must be carried out.

Unification Stressed at Chisinau Meeting

93UN04504 Moscow NEZAVISIMAYA GAZETA
in Russian 2 Dec 92 p 3

[Article by A. Tago: "Chisinau Observes Romanian National Day. Two Presidents Invited but Do Not Attend"]

[Text] Romania observed its National Holiday, the Day of Unification, on 1 December. In Chisinau the holiday was observed by the Christian Alliance for Unification of Romania which formed the Christian Democratic People's Front with the support of a scattering of small sociopolitical parties and movements. They organized a meeting and a cultural-artistic demonstration on the central square of Kishinev. The organizers sent advance invitations to presidents of both Romanian states to attend celebrations of the great unification. This gesture was as unique as it was ambiguous. Either the opposition came to its senses and wishes to collaborate with the authorities, or it is simply mocking them.

After all, it is known that Ion Iliescu, and particularly, Mircea Snegur do not share the idea of a new unification and believe that it is necessary for the two neighboring Romanian states to continue existing in the future. The presidents, however, were not to be outdone, and reacted in a similarly unusual manner: they neither refused nor

accepted the invitations. They transmitted congratulatory messages through their representatives. The historically unprecedented message from Ion Iliescu, relayed by Ion Bistoyan, charge d'affaires of Romania in Moldova, along with wishes of happiness and prosperity delivered from his lips, were heard with attention, and welcomed with applause, whereas the public did not even deign to hear the message from Mircea Snegur in its entirety. Even an appeal from Yuriy Roshka, chairman of the executive committee, who was conducting the meeting went unheeded, and the elderly presidential adviser was forced to leave the scene without finishing Snegur's message. The rest of the proceedings went smoothly and were reminiscent of the usual meeting as organized in the finest traditions of the People's Front in 1990 - 1991—orchestrated motivation, desire to unify with Romanian brethren, and the standard slogans and posters.

In the opinion of Mircea Druk, leader of the Christian-Democratic People's Front, over the past year Moldova made a significant step on the way toward unification. Participation of Druk in presidential elections in Romania, election of the well-known poetess Leonia Lari, who took out Romanian citizenship, to the Romanian Senate, and around 5,000 students studying on the other bank of the Prut were cited as evidence of that.

Presidential Delegation Visits Kyrgyzstan

93UN04464 Chisinau NEZAVISIMAYA MOLDOVA
in Russian 14 Nov 92 p 1

[Moldova-Press Report: "A Presidential Visit to Bishkek"]

[Text] On 11 November President Mircea Snegur and the delegation from the Republic of Moldova which had accompanied him during his official visit to China, arrived in Bishkek.

A meeting and a conversation took place at the residence of President Askar Akayev, followed by talks between the emissaries from Moldova and their hosts. During the course of these talks the presidents of both republics remarked upon the mutual interest of Moldova and Kyrgyzstan in intensive and fruitful cooperation. They emphasized that relations between their two countries went back more than a century, when the first Moldavians settled in Kyrgyzstan. Their descendants are living today at Chuyskoye Pole, near Bishkek.

The presidents designated the spheres of mutual interest for future cooperation, clarified their own positions with regard to numerous international problems, and dwelt on the prospects for a treaty based on the principles of inter-state ties between the Republic of Moldova and Kyrgyzstan.

Taking into account the fact that both states have emerged from a totalitarian system and have entered upon the path of reforms under the conditions of a market-type economy, Moldova expressed its readiness to actively cooperate with Kyrgyzstan in the sphere of supplying technologies.

This was followed by a ceremony of signing an inter-state document and then by a press conference. In the evening of that same day Moldova's delegation flew out of Bishkek heading for Chisinau.

Romanian Parliamentary Delegation Visits Chisinau

93UN0445A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Nov 92 pp 1,3

[Article by Aleksandr Tago: "We Do Not Aspire To Play the Role of an Older Brother": A Delegation From Romania's Parliament Visits Chisinau"]

[Text] The delegation is headed up by Adrian Nastase, the chairman of Romania's Chamber of Deputies, who was formerly the minister of foreign affairs. Included in the delegation are about 30 members of parliament, representing various political parties, parliamentary factions, national minorities, and permanent commissions of Romania's parliament.

In connection with this visit by the Romanian delegation, Alexandru Mosanu, the speaker of Moldova's parliament, made a statement in which he said that the arrival of the new parliamentary delegation and the talks between them signified the beginning of a qualitatively new phase in the development of bilateral relations. In a statement made to journalists by the delegation leaders it was emphasized that this visit is supposed to lay the foundation for beneficial cooperation between the two Romanian states, as well as their integration, synchronizing the actions of their executive organs of power in the interests of the people of Moldova and Romania. Adrian Nastase remarked that—in striving to fine-tune cooperation, "Romania in no way aspires to play the vacated role of an older brother, but we do remain brothers." With regard to the unification of Romania and Moldova, Nastase said that it would be possible only if the leadership of Moldova so desires, along with all the inhabitants of this republic, including the members of the national minorities.

On 26 November the leader of Romania's parliamentary delegation delivered a speech in the Moldovan parliament. Having expressed himself as favoring the establishment and fine-tuning of closer cooperation, he emphasized that Romania and Moldova should combine their efforts to construct civilized states, overcome the consequences of the communist regimes, and join in a civilized Europe. "We are obligated to do this by the commonly shared birthright, kinship, language, and culture of the Romanians living on different banks of the Prut River," said Adrian Nastase. He reminded his listeners that the division of Romanians on different sides of the Prut River took place against their will and was made possible as a result of the Soviet-German Molotov-Ribbentrop Pact of 1939, a denial of the force of law and due to the establishment of a dictatorship of force. In Nastase's opinion, the de facto existence of two Romanian states is undoubtedly better than the existence of Moldova within the Soviet empire from 1940 through 1991. "However, Romania is disturbed by the fact that—to this very day in Europe—the consequences of the Molotov-Ribbentrop Pact with regard to the Romanians have not yet been eliminated. This concern is all the more justified in that—with regard to other peoples, in particular, the Baltic nations—these consequences were eliminated long ago. All political forces should seek out the optimal variant for doing away with the consequences of this pact. However, this variant can only be a peaceful one, in full accordance with principles

generally recognized in Europe—principles recorded in the Concluding Act of the Helsinki International Conference and the Paris Charter for a New Europe." Adrian Nastase emphasized that Romania adheres to these principles, observes them, and would not threaten or menace the sovereignty and independence of Moldova, despite the fact that the latter is striving to unite with Romania. "The present-day realities," said Nastase, "dictate the need for strengthening the independence and sovereignty of Moldova in accordance with the wishes of its people, including the national minorities." Adrian Nastase emphasized that Russians, Ukrainians, Gagauz, Bulgarians, Poles, Jews, and members of other nationalities should know that the rebirth of the Romanian state will not infringe upon their interests in the least. "Due to communist propaganda and the self-interested motivation of certain forces, we were compromised in the international arena," said Nastase. "Rumors circulated concerning Romania to the effect that human rights were being violated in our country. Nowadays, however, we are open to everybody, and anybody can convince themselves that we are observing human rights, as well as those of the national minorities." He emphasized that it is based on these principles that the conflict in the Dniester region must be resolved. In the opinion of Romania's leadership, it is a political rather than an interethnic conflict that has been unleashed in the Dniester region nowadays. Certain political forces are speculating on the interethnic problem and utilizing it for keeping Moldova within the totalitarian communist empire. In order to fully resolve the conflict in the Dniester region, we must strengthen Moldova's independence, integrity, and sovereignty, ensure the inviolability of its borders, achieve the withdrawal of Russian troops, including those of the 14th Army, which is the principal, destabilizing factor in the Dniester region, observe human rights and those of the national minorities, as well as create—on the aegis of the Conference on Security and Cooperation in Europe—a mechanism for monitoring the decisions adopted with regard to this matter.

Nastase came out in favor of continuing the work of the commission that was established to monitor the events occurring in the Dniester region by the ministries of foreign affairs of Moldova, Romania, Russia, and Ukraine. He likewise advocates implementing the agreement signed in July between the president of Moldova, Mircea Snegur, and the president of the Russian Federation, Boris Yeltsin. Nastase declared the following: "The merit of this agreement lies in the fact that it put a stop to the bloodshed; however, we must not stop seeking out ways to achieve a peaceful settlement and a political solution to this conflict. Such a solution must be adopted by Moldova's parliament, whose prerogative it is to determine the status of the Eastern regions, taking into account the norms of international law and the experience of other states."

In Nastase's opinion, Moldova's remaining further within the body of the CIS would not facilitate the emergence of this young, independent state in the international arena. To his way of thinking, with each passing day, the CIS is taking on more and more the shape of an entity in

international law and is gradually developing into a military-political bloc. All this is fraught with particular dangers for Moldova. If the CIS becomes an entity in international law, then nobody in the international arena will pay attention to the opinions of the small, independent states within this Commonwealth. He also added that that he did not see any economic privileges for Moldova remaining further within the CIS, and he suggested that the Chisinau leadership think things over before taking a decision on ratifying in parliament the Alma-Ata agreements on Moldova's entry into the CIS. "History will show what the subsequent status of Moldova and Romania will be, and how rapidly the Romanian state would become reunited within its natural, historical borders."

Romanian Delegation Head Addresses Parliament

93UN0435B Moscow NEZAVISIMAYA GAZETA
in Russian 27 Nov 92 p 2

[NEGA Report: "Romanian Delegation in Moldova"]

[Text] An official delegation of Romania's new, highest organ of legislative authority—headed by Adrian Nastase, chairman of the Chamber of Deputies and former Romanian minister of foreign affairs—is visiting Chisinau. Speaking in the Moldovan parliament, Mr. Nastase remarked that the "division of Romanians on different sides of the Prut had taken place against their will and—possibly—was a result of the Molotov-Ribbentrop Pact of 1939. In the opinion of this Romanian guest, "all political forces should seek out an optimal variant for eliminating the consequences of this pact," using solely peaceful means for doing so. The leader of the Romanian delegation also noted that Moldova's further remaining within the CIS will not facilitate the emergence of this young, independent state, and he announced an agreement to open a joint bank in Chisinau.

Defense Minister Discusses Military Doctrine

93UN0450B Moscow KOMMERSANT-DAILY
in Russian 26 Nov 92 p 9

[Unattributed item: Untitled]

[Text] The army of Moldova will be geared exclusively to defense. This was indicated by Divisional General Pavel Kryange, Minister of Defense of the republic, at a session of the Military Board in Chisinau in the course of a discussion of the military doctrine of Moldova. According to the minister the army will consist of slightly over 10,000 individuals and swift mobilization is provided for in case of war. In the opinion of the authors of the concept such a formula will allow the army to exist with relatively limited subsidies from the state budget.

The introduction of visa requirements is not envisaged on the borders of Ukraine with Russia and Belarus. According to General Valeriy Gubenko, chairman of the State Committee for Defense of the Ukrainian Border, and commander of border troops of the republic, residents of CIS states will cross the republic border without visas upon presentation of a document verifying citizenship. At the same time Gubenko stressed that border and customs control on the borders of Ukraine with Russia and Belarus

is necessary for stabilization of the situation in the border regions and protection of the economic interests of the republic.

Parliament Examines Economic Situation

93UN0435A Moscow NEZAVISIMAYA GAZETA
in Russian 21 Nov 92 p 3

[Article by Aleksandr Tago: "Parliament Blames the Government: Economic State of Emergency Not Yet Introduced"]

[Text] The monetary reform in Ukraine has posed quite a few problems for Moldova's leaders. Until recently an acute shortage of cash rubles was still being experienced here, and Moldova was confronted with the danger that an enormous mass of money not backed up by goods would be dumped into this republic. Official Chisinau still remembers very well the analogous situation which was created last year when coupons were introduced in Ukraine. At that time their neighbors hastened frantically to turn rubles into goods, buying up everything they could at any price. That had a tangible and negative impact on the devastated consumer-goods market, which was already weak enough even without this. And it led to a powerful upward leap in prices.

It is difficult to predict what will happen this time. There was a special session of Moldova's parliament under the chairmanship of Mircea Snegur as early as this past Monday. It was devoted to seeking a way out of the economic situation that has been created here and to protect the consumer-goods market. Brought up for the parliament's examination and consideration was a draft decree on introducing an economic state of emergency in this republic. However, it was rejected by a majority of the deputies.

The proposed draft provided for the introduction of strict customs controls at the border with Ukraine, involving the departments engaged in customs and border control, the ministries of internal affairs, national security, and defense, as well as the introduction of higher tariffs, customs, and excise taxes, the confiscation of goods being exported illegally. Prime Minister Andrei Sangeli also proposed that food products and basic industrial items be sold only for coupons issued by the National Bank of Moldova. In addition, the draft decree provided for measures to protect the consumer-goods market, along with a series of stabilization measures. Among these were the freezing of basic prices and wages until the New Year, the adoption of a law on wages, the transfer of the National Bank from under the parliament's jurisdiction to that of the government, and preparations to introduce a national monetary unit during the first six months of 1993.

However, many people's deputies regarded the government's proposals as an attempt to shift the blame for the present crisis in the economy from the executive branch to the legislative branch. The People's Front Christian Democratic faction was the most furious in speaking out against the introduction of a state of emergency. Its deputies based their arguments on the position that the laws on the state of emergency which had been adopted last year did not provide for the introduction of this form of rule in economic matters. Moreover, they consider that a state of

emergency has existed for a long time in this republic, and the present government is scarcely capable of correcting the situation. The People's Front accused President Snegur of introducing emergency measures in an attempt to prolong his powers of office, which expire on 31 December. The only specific proposal made by the People's Front was a demand to introduce a national monetary unit.

Speaking to the deputies, Premier Sangeh (in contrast to his predecessors, he does not belong to any faction of deputies and is not subject to pressure from any lobbies in parliament) replied to the statement by the People's Front deputies concerning the national currency in Moldova by saying that the lei cannot be a panacea. He emphasized that a Moldovan monetary unit will be introduced only when the decline in production has been stopped, the present crisis has been overcome, and measures to stabilize the situation have been put in place. Only then—to the prime minister's way of thinking—would it make sense to introduce a national currency. Otherwise, it would be doomed to become simply paper.

Mircea Snegur, in turn, said that he did not fear responsibility and could adopt special measures by presidential edicts. He let it be understood that—in such an event—he would not only introduce emergency measures, but would also proceed to legislative types of activity. He declared his readiness to adopt the entire bloc of matters brought up at this session of Moldova's parliament and pertaining to economic problems. In that case, more than 40 bills would be enacted by presidential edicts.

And so, as a result of its two-day discussion, the parliament did not venture to introduce an economic state of emergency. The legislative organ expressed concern with regard to the economic situation and adopted an extremely roundabout decree, according to which the solution of all economic problems was the responsibility of the executive branch. All things considered, we should anticipate a great many presidential edicts on economic problems in the very near future with regard to the situation which has evolved.

Trade Union Council Protests to Government

93UN0446B Chisinau NEZAVISIMAYA MOLDOVA
in Russian 17 Nov 92 p 1

[Report: "A Protest by the Trade Unions"]

[Text] The Presidium of the Moldovan Federation of Trade Unions Council has addressed a determined protest to this republic's government in connection with the government's failure to fulfill its pledges, as provided for by the General Agreement with the Trade Unions, as signed on 18 September 1992. This document provides, in particular, that the Government shall be bound by the decisions and normal acts affecting the interests of working people, taken together or in agreement with the Moldovan FNP [Federation of Independent Trade Unions].

The protest on this score states that the "Governmental Decrees, dated 28 October 1992," "On Certain Additional Measures for Improving the Wages and Salaries of Staffers in the Budget Institutions and Organizations," "On Social Payments to Pensioners, Payment of Assistance Benefits, and Compensations for Children," "On Social Protection

for the Population and Balance in the Internal Consumer-Goods Market Under the Conditions of the Liberalization of Prices on Certain Kinds of Food Items," and a number of other important decisions directly affecting the socio-economic interests of the population were adopted by the Government without taking into account a series of proposals by the Moldovan FNP."

The FNP Council Presidium likewise stated that the government had also failed to accord attention to the proposals made by the FNP Council concerning the need for a more substantial increase in the salary rates for staff members in the fields of public education and health care, as well as the application of a unified, standardized coefficient of the growth in salary scales—regardless of the wage level—for staffers in other budget institutions and organizations. Nor was a reply given to the question of what sources would be drawn upon for raising the wages of staffers in agriculture and other sectors whose products are delivered to the state at firmly fixed prices.

The protest goes on to say that the Government decided to make the monthly payments for children not receiving benefits, pensions, or supplementary payments in accordance with the existing system of social security insurance conditional for children up to the age of 16 years on the sum-total of the aggregate income for the previous quarter for each member of the family not exceeding 1,000 rubles a month, although the Moldovan FNP Council had proposed that a sum-total of at least 1,700 rubles be adopted for this conditional restriction.

The justification for the proposals introduced by the trade unions are reinforced by the lowering of citizens' standard of living caused by wildcat strikes. The Government's actions have undermined confidence in it as a social partner, the protest emphasizes.

In the conclusion of this document "The FNP Council Presidium insists on the convocation—sometime prior to 20 November of this year—of the trilateral commission created by an Edict of the President of Moldova and entitled "Government—Trade Unions—Entrepreneurs." It also insists on holding during the first half of December 1992—as provided for by the General Agreement—an official meeting between the Government and the FNP Council Presidium for the purpose of conducting negotiations on "Urgent Problems of the Social Protection of Working People." This was reported by Moldova-Press.

Measures Taken To Protect Internal Market

Government Action

93UN0434A Moscow NEZAVISIMAYA GAZETA
in Russian 26 Nov 92 p 1

[Report by Aleksandr Tago: "Monetary Muddle in Chisinau: Decision Taken To Introduce Customs Duties on Goods and Food Items Being Exported"]

[Text] The economic measures taken by the Moldovan government in order to protect the internal market have evoked a storm of dissatisfaction among the population. The decision to release food items only for Moldovan coupons or Soviet rubles in denominations of 1, 3, 5, 10, and 25 rubles has put pensioners in a difficult situation.

They receive their pensions in 50-, 100-, 500-, and 1,000-ruble banknotes. The economic measures taken by the government were explained in this republic's parliament yesterday by Sergey Chertan, the minister of economics. He informed the deputies that the restrictions on the ruble bank notes were operative only in purchasing food items. As to industrial goods, they can be purchased with bank notes in any denomination. To be sure, they can be acquired only in those cases where the item's value does not exceed 10,000 rubles. Everything above this amount, as well as washing machines, television sets, refrigerators, and motorcycles, will be strictly and exclusively released for checks drawn on the National Savings Bank of the Republic of Moldova. By the way, the presidential edict has also imposed a 10-percent excise tax on refrigerators and washing machines and one amounting to 20 percent on gold and articles made of gold. According to Sergey Chertan, restrictions have been introduced on the sale of food items to persons from the nearby foreign countries. From now on foreign citizens will be entitled to take from this republic no more than 10 eggs, 2 liters of wine, and 100 cigarettes. Customs controls are being tightened up also. Sergey Chertan announced that the customs agents have been given the power to confiscate food items and industrial goods and to turn them over to the trade network for sale to the citizens of this republic. The government intends to introduce customs duties at all checkpoints on the export of goods and food items from this republic. This strict measure will not apply to those citizens who are moving to a new place and taking their possessions with them. Many persons in Moldova evaluate the government's economic measures aimed at protecting the internal market as a first step on the path to introducing an independent national currency—the Moldovan lei. It does seem that the measures undertaken by the government really are preparing the soil among the population for introducing this innovation.

Moldova's prime minister, Andrey Angeli, recently declared in the parliament that the moment was not yet suitable for introducing a national currency. The prime minister considers that this country's own monetary unit should be put into circulation when the decline in production has been stopped both in industry and agriculture. Unfortunately, this cannot yet be foreseen. The opposition—as embodied by the Christian Democratic People's Front—declares that the only salvation for Moldova lies in immediately introducing its own national currency. According to unofficial information, your NEZAVISIMAYA GAZETA correspondent has learned that the delegation of experts from the IMF [International Monetary Fund] which spent three weeks in Moldova proposed that the republic's leaders introduce a Moldovan lei. These experts noted in a memorandum that—taking into account the situation evolving in the ruble zone—Moldova has no other recourse. Moreover, the experts emphasized that introduction of the national currency would be an expedient and justifiable step, provided that the Moldovan lei

is operative and valid throughout the entire territory of this republic, including the Dniester region.

Customs Posts

93UN0434B Moscow IZVESTIYA in Russian 1 Dec 92
Morning Edition p 2

[Report by Svetlana Gamova: "Moldova's Customs Agents Attempt To Interdict Export of Goods"]

[Text] Customs posts have been set up at airports, railroad stations, and bus depots.

After checking the passengers' baggage, the customs agents are confiscating food products being carried out in excess of the established norms. Railroad platforms have been hurriedly fenced in with metal guard-rails. The penalties which have been introduced have been felt most keenly by those middlemen and second-hand dealers who shuttle back and forth to Romanian bazaars, where they sell everything from rice to television sets and refrigerators. It is difficult to say whether the newly strengthened customs cordon will cut off the flow of goods being exported or whether it will merely lead to higher bribes being paid to the officials. Petty traders, who earn just enough to live on by their buying and selling, are setting their hopes on the latter alternative.

The protective measures have also affected stores, where bank notes in denominations above 25 rubles are no longer accepted. According to the government's concept and intent, using the ruble as a unit of exchange, should limit the purchases of Moldovan food items by citizens of the adjacent states. But experienced and skillful shoppers from the nearby foreign countries immediately began to take three- and five-ruble bank notes from their purse and wallets. And these denominations are in short supply among the citizens of Moldova.

The first few days of the new economic policy resulted in tears and curses being directed at the salespeople. Having just received their wages or salaries in large-denomination ruble bank notes, people were unable to obtain even a bottle of milk. The three-day period which had been allowed for exchanging money was obviously not sufficient. "Covering" 50 percent of the wages or salaries by national coupons—a measure promised by the government—cannot calm the inhabitants' anxieties inasmuch as most of them spend everything they earn on food.

Coupons, Documents Required

93UN0434C Moscow TRUD in Russian 26 Nov 92 p 1

[Report by Petr Rashkov: "Ruble Zone Shrinking More and More"]

[Text] Like a piece of shagreen leather, the CIS ruble zone shrank once more yesterday: On the eve of its decree specifying measures to protect the internal consumer-goods market, the Moldovan government noticeably restricted the sphere within which the monetary unit of the former Land of the Soviets could operate.

Beginning on 25 November, food stores will sell items only for Moldovan coupons, so far only in the 200-ruble or 50-ruble denominations which are in circulation (bank notes in smaller denominations are being urgently printed). To be sure, a somewhat smaller coupon "pressing" has also been carried out. And food stores do accept rubles in 3-, 5-, 10-, and 25-ruble denomination; but these can only be used to make a purchase totaling less than 50 rubles.

Industrial goods continue to be traded for rubles as well. In all stores items are sold only upon presentation of documents certifying that the prospective purchaser has a Moldovan residence permit.

Moldova's government has likewise introduced restrictions on the export of goods by private individuals. Beginning on 25 November, only items for personal needs and those necessary for the trip itself may be carried across the republic's border.

TAJIKISTAN

Despite New Army, Ceasefire, Conflicts, Hardships Go On

93US0203B Moscow NEZAVISIMAYA GAZETA
in Russian 4 Dec 92 p 3

[Article: "There Never Was Peace, and There Will Never Be: Despite Negotiations and Truces, the Fighting Goes on in Tajikistan and Georgia"]

[Text] The People's Democratic Army of Tajikistan, which consists of militia from Dushanbe and suburban rayons, has published a statement. According to it Safarali Kendzhayev, former chairman of the Tajikistan Supreme Soviet, is the leader of the armed grouping, which does not recognize the new government of Tajikistan and which attacked the republic's capital on 25 November.

In the fighting since 25 November suburban rayons west of Dushanbe have been ravaged, and at least one settlement was burned to the ground—Afgono. Fighting occurred in recent days in Dushanbe's 33d Microdistrict and in the Zarafshon Quarter.

An armed grouping under Fayzali's command attacked the city of Kofarnikhon. The attackers had five tanks and several armored personnel carriers and IFVs. The grouping was pushed back by the evening of 2 December; the defenders of Kofarnikhon seized two tanks, three APCs and one IFV.

The armed collisions of 1-2 December on the western outskirts of Dushanbe, in the vicinity of the Politekhnikum and railroad station and in the town resulted in destruction, announced Colonel Makhmadzhon Nazriyev, the director of the press center of the republic's Ministry of Internal Affairs, in an interview with Tajik television.

He also said that in places of accumulation of refugees, deaths have been recorded due to the absence of food and medicines. There are now over a half million refugees in Tajikistan.

Lot of Ethnic Russians Said Worse; Bad Protection Scored

93US0203A Moscow VEK in Russian
No 16, 4-11 Dec 92 p 3

[Article by Nikolay Vladimirov: "Strangers in a Strange Land: The Bitter Truth About Russian Ordeals in Tajikistan"]

[Text] Late one evening five bearded men wielding assault rifles broke into Anna S.'s apartment: "Where are the weapons?" It happened even too quickly for astonishment—a blow with a rifle butt against the young woman's chest dropped her to the floor, and cleated army boots went to work. The rest blurred together into one continuous nightmare: The cries of her young son, the crack of breaking furniture, and more blows....

Anna is certain that higher powers saved her from death. Just seconds before the stillness of the night was broken by automatic fire, she managed to scoop up her son and jump into the canal, on the steep bank of which the bandits had

herded together a dozen and a half inhabitants of Kurgan-Tyube. And then the journey to her relatives—180 kilometers to Dushanbe. Two passes swept by frigid November winds were crossed by the practically naked and barefooted woman and boy, who shied away from human habitation, posts and roads like wild animals.

Today, neither Anna nor many tens of thousands of Russian-speakers have even a trace of illusions left regarding the prospects of their further presence in Tajikistan.

Almost 50,000 already abandoned the republic in 9 months of this year. Today, attempting to flee from Tajikistan is unrealistic. The railroad that connects Dushanbe and the republic to Russia has been cut. Two hundred thousand of the Russian-speaking population remaining in the capital (with not less than 130,000-150,000 potential migrants among them) found themselves in the trap, and now their fate depends on the outcome of an internecine political and armed struggle.

The fate of the Russians in Tajikistan is tragic. Tragic at least because the total disregard of the Russian leaders for the interests of their compatriots was manifested most clearly in their example. While Russians were dying by the dozens in Vakhshskiy Rayon and Kurgan-Tyube, the Russian 201st Motorized Rifle Division followed the principle of noninterference into the republic's internal affairs.

The Russian Ministry of Foreign Affairs did of course make a statement expressing displeasure regarding the fact that "extreme nationalistic tendencies are gathering momentum in the republic," and "a sizable part of the non-Tajik population is being subjected not only to political pressure and threats, but also to personal discrimination." However, no practical steps were ever taken that might confirm Russia's aspiration "not to leave in misfortune any Russians who out of the force of circumstances find themselves outside their historical motherland, and to do everything necessary to defend their lawful rights and interests." Eight hundred inhabitants of Kurgan-Tyube, including 210 children, lived in freight cars for over 2 weeks, unable to leave the republic. And it was only after a visit here by Arkadiy Vorobyev, Deputy Commander-in-Chief of Russian Ground Forces, who was astounded by the low level of sanitation and the unendurable living conditions of the people, that they received hot food and medical care.

Yegor Gaydar, who visited Dushanbe, also showed some concern for the migration problem. Admitting that the situation requires decisive actions, he signed an intergovernment treaty regulating resettlement processes. This document is strange, though! As V. Yushkin, a representative of the Russian community, noted: "What we have here now is organization of mass deportation of the Russian-speaking population out of Tajikistan." In the meantime the Tajik-Russian treaty protecting the rights of emigrants does not contain a single article that facilitates their exit from the republic, or defends the rights of migrants. Bandit raids upon trains carrying refugees and all kinds of bureaucratic barriers that could be surmounted only with bribes remain the rule of life. Moreover the mentioned treaty says not a thing about the need for rendering assistance to forced migrants in purchasing or

building new housing. Russian Ambassador to Tajikistan Mechislav Senkevich shrugs his shoulders: "The Tajik side refuses to discuss this issue...." Thus, having sold their three-room apartment in Dushanbe for 100,000-130,000 rubles and giving 100,000 for a 20-tonne container, a family of refugees finds itself in its new place of residence without a kopeck in their pockets.

Now everyone is suddenly interested in the "Tajik Russians": Russia, which sees them as a tool of its policy in this region. The government of Tajikistan, which realizes that the life of the republic's economy is leaving it together with the loss of Russian-speaking specialists. And radicals attempting to defend the ideas of the USSR and the "friendship of peoples" with arms. However, no one in this case wishes to understand people who quite simply want to return to their motherland from a country that has suddenly turned strange to them.

TURKMENISTAN

President Calls for Initiative, Promises Support to Businessmen

93US0197A Moscow IZVESTIYA in Russian 8 Dec 92 Morning Edition p 2

[Article by IZVESTIYA writer Vladimir Kuleshov (Ashgabat): "Turkmenistan President Promises To Solve Entrepreneurs' Problems"]

[Text] **Entrepreneurs of Turkmenistan will be guaranteed state support, announced Saparmurad Niyazov at a meeting with the republic's businessmen.**

He promised them a solution to credit-banking and organizational problems, right down to the creation under the president's office of a special organ to assist entrepreneurs.

"But you entrepreneurs too," the president of Turkmenistan emphasized, "must display not only initiative, backing it up with the appropriate economic concept and calculations, but also prove in your actions your ability to raise, produce, and build on free land."

It was announced once again at the meeting: The emerging class of entrepreneurs of Turkmenistan must be the consolidating force on which one can rely to achieve a firm, stable market.

The entrepreneurs have a lot of work to do. They used as an example the western part of Turkmenistan, where the only supplies equal to the world's are those of table salt. "But all this is still virgin territory for us," said S. Niyazov, "which must be plowed, based exclusively on material interest—the only factor capable of reforming and stabilizing the economy."

"Our contribution and our abilities can be successfully realized, on the condition that we are given the most-favored status," the entrepreneurs shared their ideas with the president; "but this status is developing too slowly and with difficulty, constantly running up against state bureaucratic barriers." The businessmen said that existing legislation contradicts intrastate tasks for radically changing the forms of ownership, and the republic as a whole has not yet overcome the negative stereotype in the perception of the property owners, and all the problems that have

developed in the state sector of Turkmenistan frequently fall on the heads of the businessmen. In the localities, oblasts, and rayons, the leaders are simply not interested in encouraging business private initiative.

Largely agreeing with the business people, S. Niyazov familiarized them in detail with the model of the radical restructuring of the region's economy, which includes the creation of free economic zones on the republic's territory where entrepreneurs can direct their efforts and capital. One of these zones is the city of Cheleken; another extends along the Ashgabat-Beznein highway; and a third lies between the cities of Mary and Bayram-Ali.

Post-Soviet Politico-Economic Progress Viewed

93US0189C Ashgabat SELSKOYE KHOZYAYSTVO TURKMENISTANA in Russian 9-10 Sep 92 p 2

[Article: "A Program of Great Changes"]

[Text] Important political and socioeconomic changes have occurred recently in Turkmenistan, as well as in the other states of the former USSR. The ideas of perestroika, the development of democracy and glasnost, which began in this country during 1985, have now led to the disintegration of the USSR, the cessation of the activity of the CPSU, and the formation of the CIS [Commonwealth of Independent States]. In the process of such historic events, on the basis of the nationwide referendum of 27 October 1991, Turkmenistan's independence as a nation-state was proclaimed.

Thanks to the consistent, intelligent foreign and domestic policy being conducted by President S.A. Niyazov and the other leaders of our state, Turkmenistan has preserved and maintained calm in its sociopolitical life and a stable development in its national economy. Day after day, Turkmenistan's international authority multiplies and is enhanced as a democratic, secular state, based on the rule of law—a state which guarantees all citizens living in it constitutional rights, regardless of their nationality, religious beliefs, or sex. At the present time Turkmenistan's independence has been recognized by more than 90 of the world's countries, and diplomatic relations have been established with many of them. Turkmenistan has been accepted as a member of the United Nations.

In order to build a genuinely democratic, sovereign state based on the rule of law, it was necessary to work out and adopt a new Constitution—a Fundamental Law. In this connection, we had to take the bitter experience of the recent past into account. The fact of the matter is that in all three previous constitutions of our republic there was—essentially—no shortage of declarations about genuinely democratic principles. As a rule, however, they always remained pro forma. The reason for that was the absence of an appropriate mechanism for implementing or embodying these principles.

With the adoption of a new Constitution for independent Turkmenistan, the legal foundation has been laid, the power of the people has been strengthened, and the highest organ of state power has been formed—the People's Council of Turkmenistan (Khalk maslakhaty). It includes the nationally elected president, the deputies of the Majlis, the members of the People's Council, the chairmen of the Superior and Supreme economic courts, the procurator

general, the members of the government, the leading administrative officials of the velayats, etraps, archins (mayors), gengeshi (soviets) of cities and villages which are the administrative centers of etraps and villages.

Thus, the president, as well as the legislative, executive, and juridical branches of power, the administrative heads of the velayats, shakhers, and etraps, archins of cities and villages, by their common efforts will decide the most important issues affecting the interests of the entire people. In this connection, we must emphasize that there are no analogues in other states of such a highest organ of state power which is an embodiment of the people's power.

Turkmenistan's working people, supporting the domestic and foreign policies being conducted by the president, unanimously voted for the candidacy of S.A. Niyazov in the elections which were held on 21 June of this year. At Turkmenistan's historically first Khalk maslahaty—the highest representative organ of the people's power, created in accordance with the new Constitution, President S.A. Niyazov took the oath of office. The adoption of the new Constitution, the institution of the Khalk maslahaty, Turkmenistan's Mejlis—these important events will go down in the history of our state as symbols of new hopes and changes.

Turkmenistan's people, who from now on are full masters of their own national, independent state, are carrying out their own development in the form of a presidential republic, based on adherence to the idea of peace and cooperation with all countries and peoples.

The program submitted by the president for the political and economic development of Turkmenistan for the years 1992-1995 is directed at converting the economy to market-type relations, as well as at integrating Turkmenistan into the world economy and conducting economic reforms. The foundation of the program is observing Turkmenistan's national interests, the social protection of the people, and raising the level of its material well-being.

Chemical Plant's Past, Technological Progress Reviewed

93US0189B. Ashgabat TURKMENSKAYA ISKRA
in Russian 29 Oct 92 p 2

[Article by Ye. Dikhanov, director, Cheleken Chemical Plant of the Balkankhimprom Concern: "A Course Aimed at New Technologies: The Cheleken Chemical Plant Is 60 Years Old"]

[Text] It is difficult to find a concentration of industrial enterprises where there is a comparatively small number of population as in Cheleken, where approximately 20,000 people live. Offshore drilling, oil extraction, the production of carbon for industrial uses, and the obtaining of many types of valuable chemical raw materials at our plant.

Nowadays the Cheleken Chemical Plant is a component of the recently created Balkankhimprom Concern. This is one of the largest enterprises in the iodobromine subsector and the principal supplier of ferric bromide and potassium iodide to the CIS states. And it is the sole producer of potassium iodate and iodoform for the needs of livestock

breeding and raising. Almost every housewife is well-acquainted with the products of our plant: We produce the bleaching substance known as "Belizna."

Nowadays, when—under the conditions of independence—Turkmenistan's economy is keyed to market relations and attitudes, we have no doubts about the upsurge of the chemical sector. But we certainly cannot forget about the path we have traveled either.

During the years 1932-1940 iodine was obtained in Cheleken using primitive adsorption units installed directly at the wells, which producing the petroleum-laden water. The finished product was simply accumulated in the corners and pressed in an elementary fashion. The wells were scattered over a large area, and—naturally—the need arose to construct an entire group of carbon adsorbers, based on an organized scheme for collecting the drilled waters.

The production of ferric bromide had begun by 1940. But the amounts obtained were insignificant because the distillation of the solutions were conducted by the method of "fired" evaporation.

During the wartime years more than 100 Cheleken chemists went off to the front. Only women and youths were left in the work collective; they were able not only to maintain the prewar level in producing ferric bromide, but also to surpass that level.

By 1960 the plant collective—it could be said—had ceased to work "on the side" in the oil-drilling water. In order to extract the iodobromine water, they drilled "their own" wells and built two additional bromine units. They introduced progressive technologies. Let me emphasize that it was then that the continuous absorption of bromine by a liquid sorbent was employed for the first time in this country in bromine production. There appeared the chlor-iodate method of oxidizing iodide—a method which excludes the use of explosion-prone chemical reagents—sodium nitrite and Berthollet's salt.

Another first at the Cheleken Chemical Plant—one which took place in the very early 1970's—was demonstrating the advantages of obtaining iodine by the method of open-air desorption. It was then that we achieved the most important thing—a continuous process; we mechanized it and even automated it, thereby significantly reducing the proportion of manual labor. Evaporating the solutions under a vacuum provided an up-to-date technology for obtaining ferric bromide. The plant also made the transition to obtaining drilling water with the aid of electro-immersion units.

By 1990 the plant had substantially expanded its capacities for turning out iodine and bromine; it had also introduced new capacities—for producing potassium iodide and iodoform.

What are our prospects? In the very near future the list of items being produced will add items obtained by processing iodine and bromine. These will be kaiod [transliteration], stakod [transliteration], and decabromophenoxide—a very necessary chemical substance. The infrastructure of our drilling wells is being extended right

down to the Goturdep Formation, and even this does not take one-tenth of the kilometers of our pipeline communications.

Our plant's collective—which numbers more than 800 persons—is a large, multinational family. We have our own housing at our disposal; we pay considerable attention to improving the social and everyday conditions of the chemists. They now have their own physical-education and health complex, and we have built a hothouse which has an area of 1 hectare. We lent out efforts as much as possible to building a cafe having 50 seats and a store entitled "Kulinariya."

The anniversary of Turkmenistan's independence and the 60th Anniversary of the Cheleken Chemical Plant comprise a double holiday for us. The chemists of this maritime city support by their self-sacrificing labor the efforts being made by the president of our state, S.A. Niyazov, which are directing the prosperity of a sovereign Turkmenistan.

Official Explains Need for Per Person Limits on Free Water Supply

93US0189A Ashgabat TURKMENSKAYA ISKRA
in Russian 30 Oct 92 p 2

[Interview with S.F. Kuryabina, chief specialist, Division of Engineering Development for Production and Nonproduction Sectors, Republic-Level Production Association for Municipal Services, by A. Kuznetsova, correspondent; place and date not given: "Water in Limited Amounts But Free of Charge"]

[text] In accordance with the decree issued by the president dated 30 September of this year, the limit on free consumption of water has been set at 250 liters per person per day.

Is this too much or too little? To judge by the norms in effect in the world, it is enough. For example, in Hamburg this limit has been set at 220 liters. And in Ashgabat it is 350 liters. But the sad thing is that there is not enough water for everything.

Why so? This and other questions are answered here below by S.F. Kuryabina, chief specialist, Division of Engineering Development for Production and Nonproduction Sectors, Republic-Level Production Association for Municipal Services.

[Kuryabina] Year after year the capacities for supplying water in this republic are on the rise, and the construction of new water-collectors is proceeding apace. It would seem that there is completely enough water, but that is only if we calculate on the basis of the average statistical inhabitant of this republic; that is to say, in some places there is more than enough water, while in other places there is hardly any. In Ashgabat and Chardzhev the situation, on the whole, is quite favorable, whereas in the Dashkhowuz and Balkan velayats there is not enough water. But even in places where it is sufficient it does not always reach the

consumer because of the unsatisfactory technical condition of the water-pipeline networks and the plumbing equipment inside the houses.

[Kuznetsova] But then where are the results of the efforts made by the municipal service?

[Kuryabina] It must not be forgotten that the municipal services have always been financed by the residual principle, and even most of the amortization deductions were earmarked for new construction, rather than for restoring the already-existing facilities. Let me cite just one example. During the 1960's in Ashgabat specialists at the Leningrad Planning Institute for Municipal Services—in connection with designing a sewer system—made an analysis of the city's waste water. It turned out that our waste water was exceptionally pure—of course—that was in comparison with other cities.

That was a result of leaks of ordinary water into the sewer system due to imperfections in the sanitary-engineering facilities. But even today everything is just as it was before: Tanks and faucets leak. And now the problem has become even more acute: We have run out of spare parts, so there is nothing to repair the facilities with. Nor is there anything with which to replace the worn-out sanitary-engineering equipment. Therefore, by way of carrying out the above-mentioned decree the municipal services will have to do a great deal of work.

[Kuznetsova] But the president's decree cannot be carried out without solving the problem of obtaining individual water meters. We have many industrial enterprises, and even they do not have water meters to this very day; and the computation of the water usage is made by proceeding from the diameter of the pipe and the velocity of the water passing through it. This method is archaic, and the result is only approximate.

[Kuryabina] There are no plants to be found throughout the entire former Union which produce water meters for the diameter of pipes within our houses.

We know of only a few suppliers of meters, and those are only for industrial enterprises. To be sure, demand engenders supply; a group of specialists at the Engineering-Design Center of the Ministry of Land Reclamation and Water Resources has communicated their suggestions to us. It turns out that they have been studying this problem for quite some time now, and they are offering to help us.

But the problem is still an open one. And the possibility is not excluded that we will have to appeal to Western firms.

Nowadays our specialists are working out a provision regarding the procedure for utilization and keeping track of water; our supply people are looking for water meters throughout the entire former Union. The municipal services are faced with a gigantic amount of work with regard to reconstructing and modernizing the available housing and improving the sanitary-engineering facilities inside these houses. And, of course, the municipal services need considerable capital investments.

Edicts on Turkmenistan Military Appointments

93UM0207A Ashgabat TURKMENSKAYA ISKRA
in Russian 23 Oct 92 p 2

[Turkmenistan President S. Niyazov edicts of 22 October 1992 conferring military ranks; parens around a letter in a name indicate poor legibility; empty parens indicate one letter missing]

[Text]

**Edict of President of Turkmenistan
on Conferring Military Ranks**

Confer military ranks as follows:

Colonel

Lieutenant Colonel **Bartun**, Sergey Anatolyevich; Lieutenant Colonel **Bolekhan**, Mikhail Dmitriyevich; Lieutenant Colonel **Gamlyavy**, Vladimir Vladimirovich; Lieutenant Colonel **Gladkov**, Vladimir Ivanovich; Lieutenant Colonel **Golovin**, Aleksandr Alekseyevich; Lieutenant Colonel **Druzhinin**, Aleksandr Antoninovich; Lieutenant Colonel **Yershov**, Vyacheslav Leonidovich; Lieutenant Colonel **Karpov**, Aleksandr Aleksandrovich; Lieutenant Colonel **Karyukin**, Aleksey Nikolayevich; Lieutenant Colonel **Kozorezov**, Vyacheslav Nikolayevich; Lieutenant Colonel **Kniga**, Ivan Borisovich; Lieutenant Colonel **Kuzkov**, Yuriy Fedorovich; Lieutenant Colonel **Loshchenov**, Nikolay Vasilyevich; Lieutenant Colonel **Lup(1)ov**, Valeriy Ivanovich; Lieutenant Colonel **Martynov**, Aleksandr Alekseyevich; Lieutenant Colonel **Marchenko**, Aleksandr Vladimirovich; Lieutenant Colonel **Moiseev**, Vladimir Dementyevich; Lieutenant Colonel **Mukhammednazarov**, Mukhammedkurban; Lieutenant Colonel **Muradov**, Chorli; Lieutenant Colonel **Nazarenko**, Vladimir Pavlovich; Lieutenant Colonel **Plyaskin**, Igor Nikolayevich; Lieutenant Colonel **Pyatin**, Gennadiy Ivanovich; Lieutenant Colonel **Salyamov**, Ravkhan Gatayevich; Lieutenant Colonel **Stolyarik**, Ivan Iosifovich; Lieutenant Colonel **Sevastyanov**, Vladimir Aleksandrovich; Lieutenant Colonel **Sivudenko**, Oleg Fedorovich; Lieutenant Colonel **Shadrin**, Boris Grigoryevich;

Colonel of Medical Service

Lieutenant Colonel of Medical Service **Artykov**, Abdyresul Bekhbitovich; Lieutenant Colonel of Medical Service **Mametgeldyyev**, Agageldy; Lieutenant Colonel of Medical Service **Rozyyev**, Kurbanayaz;

Lieutenant Colonel

Major **Abakumov**, Anatoliy Gavrilovich; Major **Albekov**, Ibragim Minirovich; Major **Akimov**, Asad Akhmedovich; Major **Anokhin**, Anatoliy Alekseyevich; Major **Antipenko**, Mikhail Petrovich; Major **Belosludtsev**, Vitaliy Valeryanovich; Major **Boyev**, Vasily Pavlovich; Major **Vlasov**, Veniamin Vladimirovich; Major **Goncharov**, Vitaliy Grigoryevich; Major **Grishutin**, Gennadiy Nikolayevich; Major **Guseynov**, Rovshan Nadir-ogly; Major **Glukhov**, Vladimir Arsenteyevich; Major **Groshev**, Igor Grigoryevich; Major **Derkach**, Aleksandr Valentinovich; Major **Dmitriyenko**, Viktor Alekseyevich; Major **Dryanov**, Aleksandr

Vyacheslavovich; Major **Yevseyev**, Valeriy Aleksandrovich; Major **Ilyasov**, Sergey Byashimovich; Major **Ivantsov**, Nikolay Vasilyevich; Major **Kushayev**, Iskander Kamilovich; Major **Kvasov**, Nikolay Alekseyevich; Major **Kazachenko**, Oleg Georgiyevich; Major **Kudryavtsev**, Aleksandr Pavlovich; Major **Kopytov**, Aleksandr Sergeyevich; Major **Leshi(n)**, Yuriy Dmitriyevich; Major **Lopotov**, Aleksandr Rafailovich; Major **Lukyanenko**, Sergey Ivanovich; Major **Leba**, Sergey Dmitriyevich; Major **Lenkov**, Vladislav Ivanovich; Major **Linkov**, Nikolay Aleksandrovich; Major **Lipnyagov**, Vladimir Yakovlevich; Major **Norov**, Khamid Izyumovich; Major **Merreddurdyev**, Rinat Geldyyevich; Major **Malinovskiy**, Valeriy Valentinovich; Major **Orazov**, Tirk(1)sh Artikovich; Major **Pushkin**, Vladimir Petrovich; Major **Prokopyev**, Aleksandr Vasilyevich; Major **Pavlov**, Nikolay Vasilyevich; Major **Rodionov**, Aleksandr Aleksandrovich; Major **Redzhepov**, Atamurad; Major **Salikhov**, Nail Ravilyevich; Major **Sevastyanov**, Vasily Nikolayevich; Major **Starokozhev**, Aleksandr Ivanovich; Major **Stepanov**, Aleksandr Sergeyevich; Major **Sidorov**, Vladimir Leonidovich; Major **Sopit()**, Vyacheslav Vladimirovich; Major **Tarakanov**, Yuriy Mikhaslovich; Major **Tatarinov**, Vladimir Vladimirovich; Major **Tkachenko**, Viktor Fedorovich; Major **Fedulov**, Sergey Vasilyevich; Major **Khokhlov**, Vladimir Ustinovich; Major **Tsyvchka**, Sergey Viktorovich; Major **Tsyganov**, Ivan Nikolayevich; Major **Charyyev**, Bayram Geldyyevich; Major **Chepur**, Vadim Grigoryevich; Major **Shiryayev**, Sergey Nikolayevich; Major **Shamolin**, Vladimir Viktorovich; Major **Shevlyakov**, Aleksandr Vyacheslavovich; Major **Shumlyanskiy**, Sergey Anatolyevich; Major **Yurchenko**, Aleksey Dmitriyevich; Major **Yesipov**, Sergey Viktorovich;

Lieutenant Colonel of Medical Service

Major of Medical Service **Kazaryan**, Sergey Marti(k)ovich; Major of Medical Service **Orlov**, Viktor Ivanovich; Major of Medical Service **Podolchenko**, Vitaliy Nikolayevich; Major of Medical Service **Podshibyakin**, Sergey Yevgenyevich; Major of Medical Service **Radoshnov**, Yevgeniy Vladimirovich.

[Signed] President of Turkmenistan S. Niyazov
Ashgabat, 22 October 1992

**Edict of President of Turkmenistan
on Conferring Military Ranks**

Confer military ranks as follows:

Colonel

Lieutenant Colonel **Kapla**, A., Anatoliy Kuliyevich;

Lieutenant Colonel

Major **Annadurdyev**, Kurbangeldy Ishankuliyevich; Major **Tretyakov**, Valeriy Pavlovich; Major **A(n)yyev**, Chary Major **Sadyyev**, Mukhamed Kakabayevich; Major **Sentov**, Nurmurat Turayevich; Major **Zakirov**, Rinat Agzamovich; Major **Khakberdyev**, Azadi Nurburdyevich; Major **Yusupov**, Nurmukhamed Penayevich; Major **Taganklychev**, Amanklych Nazarklychev

[Signed] President of Turkmenistan S. Niyazov
Ashgabat, 22 October 1992

Niyazov on Relations With Persian Gulf States, Neighbors

93US0120D Ashgabat TURKMENISTAN
in Turkmen 8 Aug 92 p 1

[Interview with S. A. Niyazov by AL-ITTIHAD, central state newspaper of United Arab Emirates: "S. A. Niyazov: 'Our Policy Is Positive Neutrality And Open Doors'"]

[Text] [Question] What kind of historical relationships is Turkmenistan concluding with the Arab region?

[Niyazov] There is nothing that will separate the Turkmen and the Arab world because they are neighbors and I deeply believe that they are good neighbors. Over the course of centuries our peoples have preserved close economic, trade and cultural contacts between themselves because the great Silk Road which connected the Arab world with China and India passed through Turkmenistan's territory.

Arabic elements in the works of our greatest poets are quite strong. The beauty of the Arab cities are described in them and very often there are personalities from your folklore and Islamic tales in them.

Of course, one of the basic things which unites our peoples is religion. In ancient time, seeing Mecca was considered tantamount to seeing the world among the Turkmen. This sacred city was the place which concentrated the world's beauty and goodness for our forefathers. As for going to the Arab countries, we are not discovering them anew for ourselves, we are restoring something which we knew earlier and developing it.

[Question] What issues do you intend to discuss with Sheykh Zaid Ben Sultan Al-Nakhayyan and, in your opinion, what forms of cooperation could develop between the two countries?

[Niyazov] The United Arab Emirates conducts a peaceful and neutral policy. The country's great wealth makes it possible to further a policy which appears to be independent and weighted for the wellbeing of its own people. Conditions in Turkmenistan are similar to this. The fact that we are standing at the beginning of the road of independent development is something else. From this viewpoint there are enough directions for cooperations. We see no obstacles for effective mutual support in politics, economics, culture and science. These are the lines which talks with the leadership of the United Arab Emirates will take. But I think that economics interests us the most.

The economic strength of most of the Arab countries, including the Emirates, is based on oil. You have been successful in developing other branches of the economy with the resources coming from this wealth. As for us, we have all the conditions for repeating your economic experience. Turkmenistan has rather large reserves of oil, natural gas and chemical raw materials, as well as gold. Weather conditions make it possible to grow the highest quality cotton, licorice, grapes, orchard and other products. There are amazing springs which heal the sick in Turkmenistan and its historical-architectural monuments of the past will make it possible to develop tourism. These factors are a basis for Turkmenistan's flourishing in the

future. As for your country's businessmen, they could make capital investments in our economy both for themselves and for us with success. Your experience is a great wealth for us. After all, not that much time has passed since the countries of the Emirate began to flourish. Thus, I consider that cooperation in the development of energy complexes, the chemical and reprocessing industry, and agriculture will be quite mutually profitable. We have some very attractive propositions in these sectors from Western businessmen. Some projects are at the stage of implementation. These are a cotton-fabric spinning plant, a gas-chemical plant and similar objects. But I feel it necessary to note that in our economic cooperation we would contribute more to countries with common historical and cultural ties with Turkmenistan.

[Question] What is your opinion about Turkmenistan's national security problems?

[Niyazov] We pursue a policy of positive neutrality; in other words, Turkmenistan does not join any military alliances or any group of nations who have set pure political goals before themselves. We have declared an open door policy in economics, and we believe in the fact that this is appropriate under our conditions.

When talking about security problems, Turkmenistan maintains good relations with its neighbors. These are Iran, Uzbekistan, Kazakhstan and Azerbaijan. We also have traditionally good relations with Afghanistan. Now there is a process of normalization going on there, and I believe the potential of Turkmen-Afghan relations is boundless. Friendly relations with neighbors reduces national security problems significantly. Aside from this, we are prepared to have relations with any country in the world and demand only that sovereignty be respected and mutually profitable cooperation.

Of course, Turkmenistan is establishing an army as an independent state, and this has to directly resolve the country's security problems. But we consider the consistent furtherance of a committed peace policy the way to guarantee Turkmenistan's independence. There are no problems in the world which can be resolved only with the help of weapons, that is my firm position. Countries and peoples neighboring us, and the politicians standing at the head of their governments understand this completely. The meeting of the heads of state of Central Asia, Kazakhstan and Turkey in Ashgabat is clear witness of this. Thus, guaranteeing Turkmenistan's security by no means means militarization. Of course, we live in a complex world and complicated region and should there be something unforeseen we have sufficient resources to guarantee Turkmenistan's security.

[Question] What is the future of Central Asia's mutual relations with Russia, Turkey and Iran?

[Niyazov] I have to say that Central Asia has only recently begun new, historical relations with Iran and Turkey. As for the historical and geographical characteristics of each nation in Central Asia, these will introduce their own changes in the new contacts.

If we are to talk about Iran and Turkmenistan, I have to note that Iran, which possesses vast economic potential, shares a long—1,500 kilometer—border with us. Life itself

demands the strengthening of good neighborly relations and the development of cooperation with this country. There are even now some major economic projects and their joint implementation will be mutually profitable. I see no reasons which could obstruct the development of economic cooperation. Finally, it is clear that it is better to be healthy and wealthy than to be poor and sick. The fact that Iran has its own governmental structure as a state, and Turkmenistan has founded a secular state will not impede our cooperation as good neighbors. We are opposed to intervening in the internal affairs of another state. In the final analysis, everyone has the right to his own destiny. There are not a few common elements in the past of Turkmenistan and Turkey. Thus, I refuse to see their efforts as anything other than the revival of historical, even traditional, interstate contacts.

We view Russia as one of our basic political and economic partners, despite things which were not so good in our mutual relations. Taken as a whole, there was never a powerful anti-Russian sentiment in Central Asia. After all, we have to recognize that the metropolis also did not suffer little damage during the years of communist rule. Despite the difficulties caused by the destruction of the Union, we have to consider that Russia is one of the strongest countries in the world as it was earlier.

The destruction of the Union is an unending process, but as a result, Russia received its independence. Other than this, at the end of July we signed a number of agreements with the President of Russia which take into consideration our bilateral interests in all spheres including our military sphere. In Asia they say "do not make new friends at the cost of old friends." I believe that relations with Iran, Russia and Turkey will only supplement each other.

[Question] A number of geopolitical prospects stand before Central Asia. One is establishing a confederation of all the Central Asian republics; the independent political future of each republic will be tied to that of neighboring states. Which of these variants do you favor?

[Niyazov] I do not think that there are grounds to speak of a single confederation of Central Asian republics or the unification of all the Turkic republics at the present time; the countries in the region just received independence. Each of them is occupied in solving its own problems and the process of perfecting statehood in these countries has just begun. And then, despite all the resemblances, the newly independent countries of Central Asia are quite different. Each people has its own characteristics, and their historical and geographical situations are not the same. After all, the Arab countries or, let us say, the Spanish-speaking countries, are not exactly on the verge of unification. I think that each republic probably has its own independent political future, meaning that there will be close cooperation between countries in the region and a unity of actions.

[Question] We wish you success in your journey and that the mutual talks between Turkmenistan and the United Arab Emirate will contribute to allround development. Do you find we have the same feelings?

[Niyazov] Of course, I believe that the friendship and cooperation between Turkmenistan and the Arab countries, especially the United Arab Emirate, will be an example to the world.

Turkmen Students Studying in Turkish Medreses

93US0120B Ashgabat TURKMENISTAN
in Turkmen 3 Aug 92 p 3

[Article by Turkmen Press "They Will Study in the Medreses of Turkey"]

[Text] One hundred twenty youths from Turkmenistan will set forth to study in medreses in Istanbul and Ankara in the near future. They have demonstrated the correctness of their outlooks in interviews set up by Turkmenistan's Kaziate Administration and the Organization for Religious Affairs of the government of Turkey.

"The number of those expressing a desire to study in Turkey's medreses was easily more than three times greater. Graduates of the 8th classes of secondary schools showed that they did not know Arabic badly during the interviews. They knew how to read and translate the Koran, knew the basic prayers by heart and demonstrated their familiarity with the Arabic script. This is very important because after graduating from Turkey's medreses those who will be called Imam-Khatibs must be well-rounded men able to answer all questions of those coming to the mosques. There are representatives of all the provinces of Turkmenistan among those who have gained the right to study Islam in Turkey," said A. Myradov, chairman of the organization for religious affairs.

They have to study for four years. The first year of study is devoted to the Turkish and Arabic languages. Youths who have learned the lessons in the medrese well will receive the possibility of studying Islam in the religious faculties of Turkish universities.

Chinese Delegation in Mary Province

93US0120A Ashgabat TURKMENISTAN
in Turkmen 1 Aug 92 p 1

[Article by V. Frolov: "Cooperation Is Strengthened"]

[Text] Recently a Chinese government delegation from Shansi Province was in Mary Province. The goal of the journey was to study the possibilities for cooperation in the sectors of economics, trade, culture and tourism. The members of the Chinese delegation were at most of the province's major enterprises and acquainted themselves with its industrial potential, raw material base and economic aid.

"In the course of our trip no less than a positive beginning was suggested by both sides for joint cooperation. Of course, everything requires study by specialists from our countries. In accordance with our agreement, a delegation from Mary Province will visit our province in the near future and agreements for cooperation will be signed. We could trade on the basis of an exchange of goods. As has been suggested, you have cotton fiber, mineral fertilizers, certain types of manufactured goods and raw materials. Light industry has developed well in our province. Joint plants producing knitwear and leather goods could be established. We have also proposed cooperation in the

pharmaceutical industry. In turn, you could exchange your rich experience in gas exploration and extraction. Major reserves of gas have been found in the north of our province; as for mastering and processing it, we have little experience. We wish to cooperate with your specialists in this sector. Probably, we will invite them to work in China in the near future on the basis of agreement. I think the talks which have begun will help expedite a mutually useful relationship between our countries," said Khan Go Tin, director of the Shansi Province department for relations with foreign countries.

Turkmenistan, Vietnam Begin Diplomatic Relations

93US0120C Ashgabat TURKMENISTAN
in Turkmen 4 Aug 92 p 1

[Article by Turkmen Press: "Turkmenistan Has Established Diplomatic Relations With Vietnam"]

[Text] Turkmenistan has established diplomatic relations with the Republic of Socialist Vietnam. The protocol was signed recently in Moscow between the ambassador of Turkmenistan and the ambassador of the RSV [expansion unknown] in the Russian Federation.

As stated in the document, this step was taken on the basis of the principles of respect for the independence, sovereignty and territorial integrity of both countries and non-interference in each other's internal affairs in the interests of political, trade-economic, cultural and friendship and cooperative relations in other sectors.

It was noted that the initiation of diplomatic relations between Turkmenistan and the RSV are in the interests of both countries and will help to reinforce international cooperation and peace.

UZBEKISTAN

Uzbekistan Airlines Begins Flights to London

93US0191A Tashkent MOLODEZH UZBEKISTANA
in Russian 3 Nov 92 p 3

[Article by Vyacheslav Ivanov: "One and a Half Hours in the Homeland of the Beatles"]

[Text] *Tashkent to London and back. The "Uzbekiston khavo yullari" National Aviation Company is successfully developing new international lines.*

The special technical run last weekend opened a new passenger air bridge between Tashkent and London. Also for the first time in the history of aviation a crew of an IL-62M from Uzbekistan landed its airplane on a strip of the world-renowned Heathrow Airport, thereby confirming the claim of our aviators to recognition in the world aviation community. But first—some impressions of the flight itself.

This time there were no passengers as such on board, i.e., persons flying to London on business. As they say, the run was technical, and—therefore—those on board this flight were, for the most part, newspaper or television journalists, as well as representatives of the aviation company for whom it was important to become acquainted with this new international route.

The unexpected happenings for a person who had never flown abroad before began right after the takeoff. After announcing the route to be followed in three languages, one of the stewardesses put on a life-jacket and—in the most detailed manner—told us what button to push, what string to pull, and how to turn on the signal light in case—God forbid!—we should wind up in the water. But nobody felt any alarm, for she spoke about all this with a smile, as if negating the possibility of such a thing ever occurring.

The second unexpected thing was the announcement that sitting in the aircraft commander's seat was none other than A.G. Ruzmetov, the deputy general director of the "Uzbekiston khavo yullari" National Aviation Company.

"There's nothing surprising in that," Arslan Gaipovich himself remarked somewhat later. "A director's armchair is, of course, a fine thing. But a practicing pilot must not neglect his chair in the airplane. And he should be constantly upgrading his skills in his work, all the more so if he is a pilot on international lines. Well, the fact is that the directors of our aviation company are real fliers—so this kind of business is really quite ordinary for us...."

I do not know how things will be later, but during this flight the situation on board the airplane was most democratic. Everyone behaved quite freely; smoking was permitted right in the seats; and the members of the crew were not surprised when one of the journalists would drop in to see them in the cabin. Nor did I deny myself this opportunity. Right at his workplace, for example, the very experienced navigator—Nikolay Yanovich—told me that we would fly over the CIS countries, the Baltic Sea, and the North Sea, Sweden, Denmark, the Netherlands, and then we would enter Great Britain's air space. This route totals 5,700 kilometers and takes 7 hours and 15 minutes. I also found out that our navigation charts are different from the international ones and—in particular—from the British ones, and that Heathrow Airport is one of the most complex and crowded in Europe.

The flight radio operator, with 17 years of service, was Anatoly Lebedev. He found time to talk about his conversations with foreign ground service personnel. And flight engineer Aleksandr Chebotarev spoke about getting this airplane ready for its long-distance flight. It must be said that all five crew members worked together smoothly, but also found time to drop into the passenger cabin to exchange a few words with the passengers. It was all like a film about some foreign fliers, where every crew member—while not forgetting about his work—still managed to be open and cheerful.

...Nighttime London (the time differential from Tashkent is five hours) greeted us with thousands of lights, and when the airliner with the colors of our flag landed on the airstrip, it seemed as though this airport in Britain was just as well-known to our crew as the ones in Termez or Moscow.

The technical run this time did not provide an excursion around the British capital, and that was a pity. By a strange confluence of circumstances, the 14-hour round-trip allowed us only 40 minutes for making such an acquaintanceship. And it was precisely for that reason, therefore, that the entire burden of the visit by the journalists from

Uzbekistan was borne by Heathrow Airport—Britain's principal airport and one of the largest in Europe. It is difficult to describe what Heathrow is. It is an entire city—one where literally everything is provided for the airline passenger. There are bars and restaurants, auditoriums for rest and recreation, business offices, and various kinds of auxiliary services. It is simply impossible to tell our readers what is for sale and how it is sold on a round-the-clock basis in the stores of this British airport—it would be silly and imprudent.

At the same time, however, the impressions gained from what I had seen caused me to forget about the desired trip around London and to recall that it was precisely from here that the legendary Beatles set out on their tours, and Britain's all-star soccer team flew to the world championship matches. It was very strange, but—for some reason—neither Elton John nor Mick Jagger, nor even Margaret Thatcher showed up at the airport on this occasion. An hour and a half flew by quickly, and we assembled to head for home. On the return run we bore Flight Number 236.

There were more than enough emotions after the flight. But if we were to jettison them, we would still have to add that our airplanes will be flying from Uzbekistan's capital to Great Britain twice a week—on Tuesdays and Fridays. Moreover, on one of these days Tashkent will become a unique link between London and Delhi, and on the other—between London and Malaysia. And the fact is that our aviators know both routes on the Asian continent quite well. And now our Aviation company will connect Asia and Northern Europe. In the opinion of the specialists, there need be no fears that these routes will be too lightly traveled. As was the case before, Britain has great interests in India

and Thailand, and it is attempting to strengthen its relations with the southern part of this continent still more so. One may also anticipate that the flow of businessmen and their relatives to these countries will be considerable. So Tashkent is right in a convenient place—between the motherland and its former colonies. The run between Tashkent and London has been called—among everything else—the most effective by European standards. The cost of a ticket in our money amounts to 68,000 rubles, and in hard currency—to \$200, which is perceived by persons in the business world to be very inexpensive. This line will be serviced by super-class Tashkent pilots. Six crews have already been assembled with experience in international operations and—naturally—a good knowledge of English. As to the service, the highest level is guaranteed, and the first flight confirmed that. The food was excellent, the drinks were sufficient even to the point of excess, and in this and everything else the stewardesses were considerate and obliging. In brief, everything that normal persons could want, if they had 68,000 rubles—one-way. The time en route from Tashkent to London is slightly more than 7 hours, whereas the return trip on an IL-62M (as it was in our case) can be flown somewhat faster—6 hours and 20 minutes. However, the flight does not seem at all exhausting thanks to that same pleasant service that we mentioned above.

Our national aviation company does not, however, intend to be merely a flight stop on the way to the country of the melancholy Britons. In mid-November regular flights will begin to Beijing via Urumchi, and not too far off are flights to Bangkok and Frankfurt-am-Main. Our aviators will be among the first to carry our state's hitherto little-known flag among the foremost countries of the world.

AZERBAIJAN

Lezgins Protest Russian Interference

93US0207A Baku BAKINSKIY RABOCHIY in Russian
7 Nov 92 p 1

[Azerinform article: "Lezgins of Azerbaijan: We Do Not Need Unsolicited 'Defenders'"]

[Text] A decisive protest against the unsolicited "defense" of the interests of Lezgins living in Azerbaijan was expressed in the appeal to Russian President Boris Yeltsin, Russian Federation Supreme Soviet Chairman Ruslan Khasbulatov and the leaders of Dagestan by the delegates of the 3rd Republic Conference of the Lezgin Center "Samur." They evaluated the announcements by certain circles within the government and parliament of Russia and Dagestan and by a number of the mass media as an effort to interfere in the internal affairs of sovereign Azerbaijan.

The document noted that the Lezgin population of Azerbaijan is insulted by the irresponsible announcements of people who, by distorting reality, are striving to introduce discord and create another focal point of tension in inter-ethnic relations.

"We have not authorized anyone to speak in our name, and have sufficient decisiveness and intellectual potential to speak for ourselves if necessary," emphasized the members of the "Samur" center.

Cost of Communications Services Examined

93US0207B Baku BAKINSKIY RABOCHIY in Russian
6 Nov 92 p 2

[Article by L. Polonskiy: "The Price of Current Communications: Why the Mail, Telephone, and Telegraph Are Becoming Less Affordable for the People"]

[Text] As long as I can remember, we have cursed the communications system. Both the telegraph-telephone, and the mail. Like other spheres of human services in our country, it has been, to put it mildly, not at the top. Letters travelled at the speed of cart transport, and sometimes got lost en route. Heaven only knows where packages and money transfers wandered, and newspapers arrived late at the kiosks and to the subscribers. A subscriber would languish for hours, sometimes even days, waiting to make an inter-city telephone call. Intra-city telephone lines were always bringing the residents many surprises. The mail received in the editorial office in various years was filled with letters from readers complaining about the Ministry of Communications departments and subdivisions.

Today a significant part of the correspondence received by the editorial office is, as before, comprised of letters devoted to the operation of the postal system, telephone and telegraph. However, the content of these letters has significantly changed. Complaints about the operation of the communications services have become secondary, despite the fact that they have not improved in the least. More and more, people are expressing concern over the continuous increases in prices on mail, telephone and telegraph services, which the budgets of most families cannot withstand. An ordinary letter, which quite recently cost 5-6 kopeks, now costs the sender 2 rubles 50 kopeks to

mail. The cost of a registered and insured letter is immeasurably higher. The postage on an ordinary letter sent abroad is 10 rubles 50 kopeks. The price for an apartment telephone, which is racing ahead of the increases in wages and pensions, has increased by 16 times. The institutions and organizations which are forced to pay 2,000 rubles [R] a month for each telephone unit are groaning under the strain. The installation of a telephone, so desirable in the past, has ceased to be attractive for many citizens—it costs too much money. Quite often one hears that people intend to cancel the telephone service in their home—it is becoming unaffordable, especially for large families and pensioners. A telegram, like an inter-city call, is today a luxury which few can afford.

Literally everything has gotten more expensive in our life after the disintegration of the USSR, the liberalization of prices and the decision to change over to a market. This situation, naturally, could not help but be reflected also in such a sensitive sector as communications. Especially since in our Homeland it has always been of third-rate importance, on the outskirts of technical progress, and far outside the sphere of government attention. Like public health and culture, communications was financed according to the residual principle, and it is no wonder that here we have greatly lagged behind other countries. In the number of "sputniks" launched into the sky, we were probably "first on the entire planet." Among these there were also "sputniks" intended for space communications, but alas, only for strategic and military application. Yet in the cities and villages of Azerbaijan, as in the other Union republics, little changed in the postal service, telephone stations were practically not reconstructed, and even new stations were equipped primarily with obsolete, long-ago outdated equipment.

A certain equilibrium could be seen: the payment for communications services was not overly burdensome, and the quality of services was poor. In general, the sector paid for itself, but there were not enough funds from its revenues to properly develop it, and mere bits were allocated from the budget.

So that our current dissatisfaction with postal and telephone matters is turned also toward former years, and is to a certain degree rooted in them.

The economic crisis which stunned the country also sharply increased expenditures in the system of the republic's Ministry of Communications: power resources, transport, cable, spare parts, paper, etc., increased many times over in price. While before a square meter of space leased by the postal service cost R45 per year, today it costs R1,000!

Nevertheless, the financial position of the ministry was not shaken. It finished last year with a profit of R43 million. In the first half of this year the profit comprised R135 million (R50 million had been initially planned). The average monthly wage of workers in the sector in September equalled R3,694—certainly not the worst indicator in the republic. The level of profitability has been retained at 40 percent. In comparison: For construction the profitability level is planned within the margins of 25 percent, and for industry—20 percent! Thus, the ministry tried to shift the misfortunes which rained down on the sector entirely onto

the shoulders of the consumers, the citizens who, no matter how hard this may be for them, cannot get by without using communications services.

"The relatively high profitability which we strictly maintain," they explained to me in the ministry, "is associated with the fact that, as you know, sectors which find themselves lagging behind must make up for lost time and develop at faster rates."

In fact, the Azerbaijan Cabinet of Ministers and the ministry are showing ever more interest in developing improving electrocommunications. Already in November, the renovated telephone station "93"-98" will begin operation in Baku, using modern equipment supplied, according to a contract, by the Turkish firm "Netash." Within the next few years, there are plans to radically re-equip a number of other telephone stations in Baku with the participation of foreign partners, and to expand and improve telephone service in the republic's rayons.

In these works which have already been undertaken and are still to come, and which in themselves deserve complete approval and welcome, the ministry sees justification for making sharp price increases on the use of communications.

"Consider the fact that from the sum of our profits, over one-third goes in the form of taxes, 40 million a year is taken away by cable communications, i.e., the radio broadcasting network which operates at a loss," they reminded me in the Ministry of Communications.

Radio relay communication is clearly unpopular with the population. It appears to be an atavism, and supporting it, in my opinion, is not expedient. Yet no matter how they jack up the prices on services, the large-scale re-equipment of intra-city telephone communications is hardly feasible without large allocations from the budget or from foreign investments.

The sharp rise in prices on services has had a one-sided impact on the sector itself. Up until 1991, the postal service showed a profit, although it was only a small one. Today it operates at a loss. People have begun to correspond less, and the number of letters mailed has fallen to exactly one-half. Operations involving the handling of money orders and parcels used to give the postal service an excellent profit. But for many months now these operations have been prohibited. The large conveyer used for sorting numerous packages at the railroad station stands idle. It was built not too long ago, and its construction was not cheap. We may also understand and share the fears of the authorities that a certain portion of the food products and goods will leave Azerbaijan in the packages. Nevertheless, I am deeply convinced that this would be only a small portion, especially if the proper supervision and control were implemented. We must also consider the fact that the parcels go in both directions, and this would clearly replenish even the possible loss. The direction of money orders would also be mutual. The losses of cash money allowed in one month would invariably be compensated in the next. Such taboos are seen as being anti-humane. We will recall that over a million Azerbaijanis live in the nearby foreign countries. Is it allowable, for example, to deprive our young countryman working in Tyumen or

Donetsk of the opportunity of transferring a certain sum to his needy mother living in Baku, Gyandzha or Mingechaura?!

The number of inter-city telephone calls and telegrams has noticeably declined. However, electrocommunication on the whole, due to the absurd rates, is not experiencing any tangible material hardships. For now it is even "rescuing" the mail service which has been forced into a corner.

New telephone systems will make it possible in the future to keep a minute-by-minute accounting of conversations over inter-city telephones. This will reduce the load on the lines, decrease the line chatter which distracts so many people from their work and chores around the house, and put an end to levelling in payment for services. The introduced differentiation will have to protect the socially vulnerable groups of subscribers, and primarily pensioners and single people.

Communication with subscribers abroad was not a current issue in the Soviet Union for many decades. A loyal Soviet citizen was not supposed to have relatives, friends or acquaintances abroad. Any such conversation evoked suspicion, and could entail unpleasant consequences. Yet times have changed. We are becoming more open to the world, and mutual relations with our relatives and fellow countrymen who for one reason or another have found themselves in Turkey, the USA, Iran, Germany, Israel, Greece, Poland, Australia, Canada, etc., has become the order of things. It is not difficult to order a telephone conversation with them. In the near future, having hooked up with the Turkish satellite communications system, any one of us, using a code right from our house or work, will be able to reach a subscriber practically any place on earth. Except that, most probably, these conversations in the foreseeable future will be affordable only to a select few. Even the rate which is currently in effect, and which is certainly not cheap (R72 per minute) under the existing absurd exchange rate of the ruble and the dollar, will not approach the real cost of conversations. Here is an illustration of this fact. The USA, for example, if the call comes from Baku, will charge a little over a dollar a minute, and half a dollar must be deducted for Turkey for the relay. The American subscriber, if he calls Baku, will be no worse off for it. That means, for the time being we should count on calls from that side, which will ensure an influx of currency to us.

This is specifically how, earlier, Turkey re-equipped its telephone system. The number of calls coming in to Istanbul, for example, surpassed by many times the number of calls going out of Istanbul, and dollars accumulated. "We must take this experience into consideration and bravely opt for equal pay at the accepted international rate," the chief of the economic administration of the republic's Ministry of Communications, Vidadi Mageramov, expressed his ideas to me.

There was some reason in his conclusions and his desire to obtain currency in this way for the purpose of decisively re-equipping the sector. Nevertheless, I could not help but get the feeling that a significant portion of the funds received would have to be channeled toward subsidizing conversations initiated from our side. So that a broader

circle of persons would be able to utilize the services of international communications.

"And why is it that within the confines of Azerbaijan, where there are no barriers and limitations, letters and money orders take a long time to get to the addressees, and mail is most often delivered to the house only at the end of the day?" I asked at the ministry and in the city's post offices.

I was specifically referring to the fact that the newspaper's own correspondents living in various regions of Azerbaijan do not receive for several months the wages which were mailed to them on time, and authors do not receive the honoraria transferred to them. I was also referring to the subscribers of BAKINSKIY RABOCHIY, including the central libraries of Moscow, St. Petersburg, and Tbilisi, who do not receive the newspaper regularly.

In answer I heard references to the shortage or disrepair of automobiles, and the increased rates for railroad and air transport. They tried to deliver mail to Kelbadzhar by helicopter, but this required such expenditures that the plan had to be rejected. We also cannot exclude the negligence and sluggishness of individual workers in individual sections.

Realizing the difficulties and complexities which communications workers are faced with these days, I could nevertheless not understand why they have established such an absurd price for the delivery and sale of the periodical press. Then again, an analogous question is being asked with the same puzzlement in other republics of the former USSR. The Ministry of Communications is not responsible for the rate introduced by the production association "Azerbmetbuatyaymy," the successor of "Soyuzpechat," since the association acts as an independent leasing enterprise. This association holds the monopoly on distribution of newspapers and journals. It has no competition, and therefore dictates prices as it pleases. No structures have been formed to oppose it. The editorial staffs and publishing houses, who are forgetting about the severe conditions of the market, have turned out to be too slow and naive. Relying as before on the traditional disseminator of the press, the mass media, through no fault of their own they have missed out on subscriptions to republic publications for 1993 in the nearby and distant foreign countries. And this is not just an economic problem, but a political one. We are concerned about the breach in the informational blockade—yet we ourselves are putting obstacles in the path of our newspapers and journals going to other countries. "Azerbmetbuatyaymy's" attitude toward the question which is of extreme importance to us is evidenced by the letter from the association's first deputy chief, A. Aliyev, received by BAKINSKIY RABOCHIY in October: "We are reporting that the exchange of mass media between states has not been reviewed in the Azerbaijan Republic, and therefore we have no mechanism for its direct implementation."

So that is how it is!

I would not like to conclude our discussion about communications on an unhappy note. Therefore, I will say that when I was in the ministry, with a pleasant feeling I held in my hands the first postage stamp of our newly independent republic. It bears the symbol of Azerbaijan, and is made

with elegance and taste. This symbol of postal payment was printed in Germany, and an impressive volume of stamps, as well as envelopes, has been delivered to Baku.

GEORGIA

Deputy Stresses Abkhazia Is Part of Russia

93US01904 Moscow DEN in Russian No 48,
29 Nov 92 p 2

[Remarks by Deputy of the Supreme Soviet of Abkhazia Zurab Konstantin Achba concerning the situation in Abkhazia, recorded by Tatyana Solovyeva: "It Is Time We Understand That Abkhazia Is a Part of Russia"]

[Text] The people of Abkhazia have always considered themselves a part of Russia. Therefore even in 1949, at the very height of the repressions, our intelligentsia appealed to Stalin to be annexed. Our current wish, too, is in keeping with an objective pattern.

For many long years, and especially during the past 10-15, conditions have been artificially created (and not by us!) for the outflow of the Russian-speaking population from Abkhazia. But since most of our intellectual potential was made up of Russians, the departure of these specialists had an effect on the republic's economy and all of its social spheres.

There is war in Abkhazia today. I could name a number of causes, but objectively it is occurring because of the fact that our land is a foreign body in Georgia, and Georgia is trying to take hold of it.

After the present war began another blow was dealt to the Russian population. Thefts, violence, and other no less terrible things perpetrated by the Georgian aggressors on the land of Abkhazia led to another outflow of Russians. The war continues, and we know that either we will be eliminated altogether and Abkhazia will become a single-nationality Georgian province or we will win and our victory will be the factor that enables Abkhazia to unite with Russia. This may occur in all kinds of forms.

We are interested in absolute restoration of the balance that existed in Abkhazia before the outflow of the Russian population, when there were more than 100,000 Abkhazians in the republic and there were equal numbers of Russians and Ukrainians. Russian is spoken in the republic. Even most of the local Georgians who live here speak their native language worse than they speak Russian. The first Caucasian migration was also mainly Russian people. Now most Abkhazians have names like Tumanov, Ivanov, Yermolov...

Abkhazia is a republic with a future in this region and if we win a military victory I am confident that this event will be of great significance for Russia and for those who come to live here. After all, Abkhazia means sea ports and wonderful health resorts. Georgia is holding on to this territory because it has lost the Russian food basket and it wants something from Abkhazia. Without Abkhazia it is in an extremely difficult position, and it is looking to the future too. Its leaders have even held negotiations with us on leasing this territory to certain firms for almost 99 years.

Such is the point of departure for the war.

Today there is an influx of volunteers from Russia who sincerely want to help us. Unfortunately, each is acting on his own. We would like to have this process organized, which would be in keeping with the Geneva Convention of 1907: Volunteers may participate on the territory of any state without intervention from the state. The people who are coming here are becoming citizens of Abkhazia and they will live together with us. We have a law on citizenship.

But we do not see the volunteers solely as combat forces. I cannot imagine how we will restore normal life after the war without working hands.

The first to come here were those who at one time had vacationed here, lived here with their families, or had friends here. These people's hearts were moved by our troubles and they hastened to our aid. Some of the volunteers are people who fought in Dubossary and other hot spots, people from various regions of the country: There are residents of Sakhalin, Vladivostok, St. Petersburg, Moscow... And they are of the broadest range of age groups.

Many Cossacks have come here, and they have entered very actively into artillery and infantry subdivisions. Unfortunately, many have died—people from Sochi and Tuapse. The situation developed historically in such a way that it was the Don Cossacks who settled in Sochi. We in Abkhazia had a Cossack line as well, but then it began to be crowded out. The formation was called the Sukhumi Division of the Kuban Cossacks. Incidentally, we restored it before the war and set up communications with both Don and Kuban Cossacks. They have written a great deal in the mass press in our defense. As of today the Cossacks are organized into their own detachments.

Many officers of the Soviet, and now Russian, army who come here on leave devote themselves to the war for a month or two.

I am not talking about the ethnic qualities of the volunteers because we have a truly interethnic and unified environment. Unfortunately, I cannot name them all, for among us there are also Georgians who have died for our country, giving their lives for Abkhazia as for their own homeland, their own state. But we cannot give their names because that would cause the relatives of these people to suffer.

But still, what can be done to make the spontaneous process of migration to Abkhazia assume its own forms and become formalized and manageable?

This issue was discussed in Abkhazia on 14 August: a large number of health facilities were out of commission here. I do not think that a flood of vacationers will come here in the next year or two: All that has happened has left its impression on people's minds. In Russia there are large numbers of both officers and other people almost reduced to living in tents here, having been deprived of shelter in the former Union republics. Living conditions in Abkhazia are fairly normal, even comfortable: There are multistory boarding houses that could accommodate many thousands of people. It might be possible to come to an agreement to turn over some of these boarding houses and vacation houses for a certain period of time. Kasatka and the Gidroitstitut in Pitsunda have colossal hotels that are now

standing empty. And all the conditions for a good life exist there. These boarding houses and empty buildings could be offered to the people who come here, and they could live there until they could build their own housing.

We have held negotiations with business circles of Russia and they are prepared to help create jobs for Russian settlers. After all, we have unique institutes and defense industry enterprises. Russia has now cast all this to the whim of fate. We have taken them under our protection and are prepared to restore the original technologies there. We are not saying that everyone must necessarily get up and go to the front! No, we must create a republic, we must integrate it into the general economy, and then everyone will be able to live. We have absolutely everything necessary for this: communications, power, and premises, which, as a rule, are in short supply in the business world. And, of course, one cannot but mention our climate.

I understand that the Russians, who over 300 years have migrated from the center of Russia absolutely unconcerned about the catastrophe they might encounter, are now experiencing a shock—and this trauma of the Russians has been transmitted to the indigenous Russian population in the center. I am speaking about the fact that the Russians who were driven out, say, from Tajikistan or are migrating from Kazakhstan are again being drawn into emigration, this time to Abkhazia, a zone of absolute instability, a zone where battles are in progress. This issue is terribly complicated from a psychological standpoint. In order to control this process, it is necessary to place it on a state level. Russians who are coming to live in Abkhazia must have very firm guarantees and very strong motivations. The altruistic idea is gripping very small numbers, but here we are speaking about a large political and political-ethnographic operation. To a certain extent we can give these guarantees because we are closely associated with the Northern Caucasian region.

Through Abkhazia it is possible to try to guide these processes in a different, constructive direction. In the first place, a precedent will be created with respect to borders. This is extremely important for Russia. Russia should understand that we have known for a long time that geopolitically Georgia has been defined by whatever tactical moves it may have made, right down to the CIS. In order not to lose Abkhazia and, to a certain degree, Ossetia, it can enter into tactical games with Russia.

I think that, in spite of Abkhazia's apparent bias, the process here could go in the opposite direction: in the direction of strengthening Russian statehood. It is not possibly be Abkhazia that provides the impetus to this process. Few people know that through the conflict here we have frequently eased anti-Russian sentiments, and even now, although weakened by the war, we still have an influence.

Returning to the question of who could assist them, I think it should be people who have now lost their own lands, their native lands. These are mainly military personnel. People must understand, in the first place, that Abkhazia is Russia. We can submit documents. We entered Russia as a free and independent state in 1810. And we never lost our choice. Everything that has happened since then was done not by us but to us. So we are now living in Russia.

And the Russians living here now are indigenous residents of Abkhazia. We have become like family. I, for example, was christened by Granny Manya—a Ukrainian woman. And I have many Russian relatives.

Abkhazia itself is a small republic, a small country, which has always stood in the shadow of great cultures: At one time Greek, and then Roman, and now it is the Russian culture. Both our perception of the world and our consciousness developed on the basis of Russian culture. For the Abkhazian people it would be a tragedy to enter a different world now, it would be a psychological break. In 1944 the Russian language was banned in our republic and Georgian was forced upon us. Since that time they have been constantly trying to Georgify Abkhazia. And that is the same as to force a person to change his entire way of thinking and adopt values that do not exist for him—not because they are worse; they are simply not OURS.

The Georgians are now actively firing both on Sukhumi and on other regions of the republic. One must say that in Gagrskiy Rayon, although we do not control it, approximately half the population are resisting, as they say, the opposition, that is the current powers in Tbilisi, because there are Gamsakhurdia supporters there since events unknown in Russia occurred in Western Georgia, when in June the State Council annihilated its own Georgian countrymen—approximately 1,500-2,000 peaceful residents. This has been filmed. They did terrible things. And now 99 percent of the population here hates Shevardnadze.

The current situation in Abkhazia is difficult for Georgian occupation troops. The fuel is running low, there are no communications, everything was planned for an expeditionary force, severed from everything, and led with "whatever was underfoot." The Georgian aggressors are loading the property stolen from the Abkhazian population onto barges and taking it away and the official authorities are doing nothing about it. Moreover, Kitovani has said that he is paying for what is stolen with soldiers.

Moscow is always trying to get us to sign a federation treaty with Georgia. But we have simply turned to the 1925 Constitution, according to which Abkhazia was proclaimed a Soviet Socialist Republic. I do not think that this is the optimal solution. Perhaps the presence of a large enough number of Russians will open up certain other political reference points for Abkhazia.

We have not touched on the religious aspect at all in our discussion, but it is important. Shevardnadze joyfully informed the world that Muslim interests were observed more in Abkhazia, forgetting that the Abkhazians adopted Christianity before anyone else did, even Georgia. Only two graves of Apostles are known, and one of them is in Moni. A year ago I had a conversation with the patriarch about returning the famous Novoafon Monastery. We asked to have a lyceum opened there to train clergy for Abkhazia.

Perhaps you will be surprised, but now I can speak about this with equanimity, because it was reported on the program "600 Seconds" that the existing version of the death of the tsar has not been confirmed. We have absolutely precise documents showing that the tsar died in Sukhumi and was buried in the Mikhaylov cemetery. This

is recorded on film and there are many documents. It was kept a secret from the people of Sukhumi since the truth would not have helped the church; it wanted to canonize Nicholas II. And the new structures that were growing up wanted to blame the Bolsheviks for the tsar's death. This is just a version but one that is very thoroughly elaborated.

Abkhazia is a crossroad of very many historical events, and extremely important ones.

According to the 1925 Constitution, Russian became the state language of Abkhazia. We want Abkhazia to have the right to regional administration so we can dispose of our national wealth. On the republic's territory there is an Institute of Culture which supports our language, our culture, and our education. No matter how many Russian settlers come to our land, it will not harm us because we do not see this as a threat to our ethnic identity. It is quite a different matter with the Georgian colonists.

Our republic now needs specialists at all levels, and mainly for agriculture and the health resort business. But we are also interested in personnel for creating science-intensive areas. There used to be a large concentration of scientific personnel in Abkhazia. We had so many institutes! They included the Sukhumi Physics-Technical Institute, which was unique in the whole world: the technology accumulated there was ahead of world practice by 15 years. There was the Institute of Experimental Pathology and Therapy, where genetically pure monkeys were raised. Incidentally, the institute's workers managed to transfer the gene pool to Adler. It was preserved, but the Sukhumi monkey nursery was destroyed and the monkeys, sick with AIDS and hepatitis, were set loose.

The Abkhazian scientific center worked and did a great deal of good, and all of this must be revived and restored. This is also advantageous for Russia. It is time for Russia to stop its collapse and return to traditional geopolitics. This does not mean expansion. It is necessary to take control of the territories within which tragedy is occurring, whose population has become a victim of ill will, a tragic game. Abkhazia is one of the examples of how its enemies dealt with its culture and territory.

Prospects for Foreign Investment Reviewed

93US02014 Moscow NEZAVISIMAYA GAZETA
in Russian 3 Dec 92 p 4

[Article by Givi Abdushelishvili, general director of the Georgian-Russian Industrial-Trading House: "Georgia: On the Threshold of Cardinal Reforms; But We Cannot Manage Without Support and Assistance"]

[Text] Georgia has become drawn into the carousel of big world politics. We believe that it is by its wealth of history and culture and its potential deserving of full membership of the civilized world community. Unfortunately, the attention of politicians is focused on our republic today more than that of businessmen. There are, after all, various forms of blockade. If only the news blockade, on account of which Western business circles lack, it seems to us, objective information on the actual state of affairs.

As we all know, Georgia remains in the ruble space and is basically experiencing the same difficulties as the countries of the CIS. They are being intensified by additional,

artificially created problems. The severance of economic relations, inflation, and the disregard for the principle of unity of the financial, power-engineering, transportation, and resource-provision systems created within the framework of the former USSR have engendered a recession in our economy. Serious ordeals are the lot of the financial and banking system. Today's relations with the Central Bank of Russia may be called fettering, on account of which the economy is sustaining palpable losses.

Western financial and banking circles have, nonetheless, entirely civilized and practicable opportunities for cooperation with the republic, where, aside from the National Bank, commercial share-capital banks capable of acting as the guarantors of Western investments with their own charter capital are finding their feet. It is they that are the real assistants of the business and industrial structures, and they are performing banking operations and offering consulting services at the time of consideration of investment projects. I would mention that there is parliamentary and government support for the policy of opening bank branches and affiliates and also joint banks. It is hoped that foreign bankers also will not wait for something or other to turn up but will, following the example of bankers of the CIS, begin to set up their offices here.

We do not want Western business circles to view us as supplicants. When we address offers of cooperation to Western banks, we are sure that they will be able to avail themselves of the experience of progressive countries and Moscow also, where licenses to perform transactions are already being issued. In our republic, as in the East European countries and the sovereign states of the CIS, adaptation for entry into the world economy continues. And this period may be shortened.

But Georgia's business structure is feeling particularly painfully now the severance of economic ties primarily to Russia. After all, Russia accounted for two-thirds of its foreign economic turnover in the past 20 years. Hopes of new ways out of the crisis situation being found are seen in the attraction of Western investments and also those from the CIS countries closest to us. Business ties to them cannot be severed conclusively.

The republic is shaping the priority organizational and economic directions capable of interesting investors. We are separating the spheres of medium-sized and small business and also large-scale projects on a republic scale.

The agrarian sector of our economy, where a system of private-farmer production both for the solution of food supply and for the development of exports is taking shape, is of particular interest. Tea growing, wine making, tobacco growing, and certain other traditional directions have tremendous export potential.

In our view, questions of the use of mineral and drinking water and agricultural products, given a shortage of processing capacity, are of interest to investors. I should dwell particularly on the mining sector, perhaps. This means, after all, copper, manganese, and precious metals. And

transportation opportunities (sea, railroad, and main highway linking East and West, Europe and Asia) have been created for trade.

I will mention also the medical-preventive health, resort-tourist, and convalescent complexes, which are known worldwide.

In our opinion, the plan for a single oil pipeline of the Volga, Central Asia, and North Caucasus and Transcaucasus republics, which would end at the bulk-loading terminals at Black Sea ports, appears very promising. Our immediate neighbors should also have an interest in the production of building materials, and raw material sources in the republic are significant, and the provision of this form of industry with equipment would, like a real opportunity for exports, spring up together with the investments. Quite a developed furniture industry operates in the republic. There are large-scale complexes in light industry. These include weaving, knitwear, garment, and leather footwear works. Some enterprises are fully furnished with Japanese, Italian, and German equipment and technology.

Mechanical engineering is developed here also. This includes instrument making and electronics, machine tool-building, and other enterprises of the former Union ministries, of defense industry included, but which have now been commercialized. The equipment and home appliances which they produce are characterized by high consumer properties. The electric locomotives, battery-operated trucks, heavy trucks, aircraft, motor boats, launches, submarines, and much, much else too much to enumerate, are well known.

Our automotive, shipbuilding, aviation, electric locomotive, and other enterprises correspond to many Western requirements. I say this with all due responsibility since I participated for many years in the formulation of decisions on the development of the republic's industry at the Union level. Investments here would be recouped in a short space of time. Such is the opinion of many Western experts also.

We are prepared to discuss specific projects and would be glad of any contracts. I cannot remain silent about the construction in Tbilisi of the International Commercial Center, the planning of which is already completed, and the project was developed in conjunction with Moscow's Sovintsentr.

Laws and other instruments corresponding to the generally accepted requirements and ensuring protection of foreign investments have been adopted in the republic. Liberal conditions in the assistance of private enterprise are being created. Privatization measures are being implemented. Stock companies are being opened, and business in the republic as a whole is, for all that, developing.

Georgia is on the threshold of cardinal economic reforms for successful transition to the market. At the same time we realize full well that without the corresponding investments, Western primarily, our immense potential will not be claimed quickly.

Kulumbekov's Career, Prospects Considered

93US0201B Moscow NEZAVISIMAYA GAZETA
in Russian 3 Dec 92 p 2

[Article by Yevgeniy Krutikov: "The 17 Resignations of Torez Kulumbekov: It Is Difficult for Him To Find a Common Language With the New People in the South Ossetia Leadership"]

[Text] According to reports from Tskhinval, Torez Kulumbekov, chairman of the South Ossetia Supreme Soviet Presidium, has once again (for the 17th time) submitted his resignation. But the session has once again been unable to determine its attitude toward this demarche. Kulumbekov's deputy, Atsamaz Kabisov, has been appointed acting chairman of the Supreme Soviet Presidium ad interim in the absence of Torez Georgiyevich, who has flown to Moscow.

In the recent past Kabisov was a field commander of one of the most powerful and well-organized self-defense detachments. Following the formation of the single National Guard of South Ossetia, people from this detachment came to occupy key positions in the government (including Defense Minister Valeriy Khubulov and External Relations Minister Uryzmag Dzutsev).

In the months that have elapsed since Kulumbekov's release from a Tbilisi prison and his return to Tskhinval, the national hero and political prisoner No. 1 has damaged his relations with practically everyone, except for a small group of his associates from back when Torez Kulumbekov, as chairman of the Tskhinval City Soviet Executive Committee, fought against Feliks Sanakoyev, first secretary of the oblast party committee at that time.

In 1990 Adamon Nyhas, the South Ossetia Popular Front, nominated Kulumbekov for the position of chairman of the Supreme Soviet of the just-proclaimed republic. It was assumed that a person well known in the oblast (and who had been a victim of the party) would be a connecting link between the Popular Front and the remnants of the paratroopers. Besides, Torez Georgiyevich was simply esteemed in Tskhinval.

Right at the start of the war between South Ossetia and Georgia, Kulumbekov was arrested by the Georgian Internal Affairs Administration and was held in prison in Tbilisi for almost a year, from which he was released at the time of the coup in Georgia this January.

The ideas and thoughts with which Torez Kulumbekov returned to devastated Tskhinval no longer coincided with reality and the mood of people who had undergone a year of war. Considerable influence in South Ossetia had been acquired by a new generation of politicians who were lacking in apparatus experience, but who had given a good account of themselves in emergency situations. Kulumbekov's attempts to reach a compromise with Georgia only because Shevardnadze had come to power in Tbilisi were the cause of the first big conflict in parliament. Kulumbekov's line was not supported by the deputies, and he submitted his resignation six times at one session alone, but it was rejected, the justification being that "Torez must share responsibility for what happens together with everyone." Besides, the very idea of the proclamation of a

republic was Kulumbekov's, for which it was proposed that he shoulder the responsibility.

The cause of the next conflict was the confirmation of Oleg Teziyev, who in a short space of time had organized and armed the National Guard, as prime minister of the republic. For several months Teziyev declared that he would not come to Tskhinval as long as Kulumbekov remained chairman of the Supreme Soviet. Only the persuasion and ultimatums of ministers (the field commanders) to both—Teziyev and Kulumbekov—defused the situation.

The chairman of the Supreme Soviet does not have appreciable support among the populace since he is not backed by people with arms. And he has of late abruptly changed the direction of his political statements. Now, on the threshold of possible negotiations with Tbilisi, Kulumbekov has been presenting ultra-radical demands for immediate separation from Georgia and affiliation with Russia.

But an appeal to the Seventh Congress of Deputies of the Russian Federation was adopted at the last session of the Supreme Soviet of South Ossetia, and it contains no direct confirmation of South Ossetia's desire to become a part of Russia. There is merely an invocation of the results of the referendum held in Tskhinval on 19 January 1992.

Preelection Platforms Published

Union of the Children of God

93US0171A Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 3

[Article: "The Election Platform of the Union of the Children of God of Georgia"]

[Text] The Republic of Georgia's admission into membership in the United Nations Organization concluded one of the basic periods of the Georgian people's national liberation struggle, and a new stage ensued in which our country must attain, preserve, and consolidate real national and state independence.

Unfortunately, this period of revolutionary processes is generally characterized by vices: activation of the followers of separatist and revenge-minded tendencies, creation of centers of so-called "ethnic conflict," the country's disastrous economic condition and the worsening of the material situation of most of the population, the steady rise in social tension, the growing power of mafia-criminal and administrative-bureaucratic elements, and fratricidal bloodletting.

The process of democratic transformations which began in our public life presupposes recognition and practical implementation of the principle of the supremacy of law, formation of a law-governed state and solid, effective institutions of power, and establishment of market economic relations on the basis of equitable development of all forms of property.

Giving priority to the protection of general human values and the interests of ethnic minorities along with implementation of the principles of territorial integrity and the inviolability of our country's borders, national concord,

and civil peace will guarantee that the Georgian people assume a worthy place in the great family of the world's civilized peoples.

Protection and exercise of the rights and interests of people, in particular the less fortunate (pensioners, orphans, single people, materially needy and large families, young people, victims of natural and other disasters, persons who were repressed, imprisoned, and so on), is one of the primary obligations of our state.

The Union of the Children of God of Georgia considers its main purpose to be promoting the rebirth and establishment of true belief in God and humanistic worldviews and traditions in our Fatherland, for without a profound awareness of the will of the All-Powerful and of the concepts of the Gospel, the above-cited common national challenges cannot be met.

The Union of the Children of God of Georgia declares before the All-Powerful, the people, and the country that it will use all civilized forms of political struggle in order to achieve the following goals.

1. Faith and Mercy

The Union of the Children of God of Georgia, while recognizing freedom of conscience and the common human principle of protecting the rights of atheists, believes that the true salvation of the Georgian people is possible on just one path, the path of spiritual cleansing and elevation, which presupposes first of all the rebirth and establishment in our Fatherland of the Orthodox Christian faith and the traditions of mercy based on the need for religious, philosophical, racial, and human tolerance.

From this point of view state concern to strengthen the Apostolic Church of Georgia and put the spiritual life of our people in order is especially significant.

Propagation and practical implementation of the ideas of Christian humanism is equally significant, for only Christian love for one another will save us!

2. A New National Conception of Political Thinking

The 70-year reign of Marxist-Leninist ideology and the Soviet imperialist system left a deep mark in the political consciousness of our people.

The Union of the Children of God considers it an urgent task to work out a new, scientific national conception of political thinking that will put an end, once and for all, to the opinion, widespread in our society and in political circles themselves, that politics is one of the "most ancient" professions.

This conception, along with awareness of common human values and the historical mission of the Georgian people, should rely on the principles of openness, honesty, sincerity, and justice.

3. State Structure and Administration

In the current stage of development of Georgian statehood the Union of the Children of God of Georgia considers the most acceptable form of state structure to be the parliamentary republic.

The Parliament of the Republic of Georgia should consist of two equal chambers, of parties and communities. The first of them is composed of deputies elected by party lists, while the second is chosen from representatives of the territorial-administrative units and ethnic minorities.

Executive power in the country will be exercised by the government of the Republic of Georgia, whose activities will be directed by the prime minister of the Republic of Georgia.

The government of the Republic of Georgia should be a coalition government, in other words it should be basically composed of party representatives.

Legislative, executive, and judicial powers should be separated in the country once and for all.

The territorial-administrative division of the Republic of Georgia should correspond to historical and geographic principles and present-day realities. At the same time, the powers of the organs of local and autonomous governance must be broadened.

4. Economic Questions

The Union of the Children of God of Georgia believes that in the period of establishment of market economic relations it is essential that the citizens of the republic be assured of appropriate, identical starting conditions so as to avoid unexpected social explosions.

From this point of view implementation of the privatization process in conformity with the principles of social justice is especially significant.

The Union of the Children of God of Georgia, anticipating existing realities, considers the most acceptable form of privatization to be creation of joint-stock societies on the condition that priority is given to protecting the interests of the labor collective.

In the rural area we must specially encourage the formation of private family farms.

An economic amnesty should be declared: capital that was accumulated in "shady" ways must be given an opportunity to work for economic rebirth—strengthening the country by means of the appropriate legal mechanism.

We must minimize the role of state organs in the sphere of managing the economy.

In the period of establishment of market economic relations the state should basically take over compensation for expected negative consequences, namely:

- promote the development of free entrepreneurship;
- develop and implement a favorable tax policy;
- define a program for using foreign capital in the country's economy and promote its realization with due regard for national interests.

5. Social Protection

In the period of establishment of market economic relations and under conditions of price liberalization, effective solutions to the problems of social protection of the entire population of the republic become especially significant.

From this point of view the Union of the Children of God of Georgia is especially concerned about the fate of the socially less fortunate. The republic has more than 1.3 million pensioners alone, including about 25,000 children and some 15,000 single people; more than 10 billion rubles [R] is paid out in pensions.

The Union of the Children of God of Georgia believes that a whole package of legislative acts in the social protection sphere must be developed on an urgent basis, while a set of appropriate urgent practical measures is determined and carried out at the same time.

In the near future we should develop a scientific national conception of social protection which should rely above all on the role of state organs in this sphere and a reduction in the amount of budget capital spent to activate and strengthen the humanitarian-charitable public movement. At the same time, from this point of view it is especially significant to assist the comprehensive development of public organizations of socially less fortunate people and to solve the problems of job placement for people in this category.

The problem of unemployment can become an enormous social disaster in the near future. Preventing this is one of the paramount concerns and obligations of our society and our state.

6. Mutual Relations with the Parties

In terms of its essential worldview and posture the Union of the Children of God of Georgia is a political organization which joins both Western and Eastern ideas and the principles of theodemocracy.

Envisioning the need for mutual understanding, support, and patience, the Union of the Children of God of Georgia will cooperate with all parties who serve the highest national goals and share the priority of moral values.

Countrymen! Children of God! Dear Voters!

The Union of the Children of God has never come before its countrymen with empty promises.

If the Union of the Children of God of Georgia wins the upcoming parliamentary elections and has its representatives in the supreme legislative organ of the country, we will not consider this a reward for work we have done. On the contrary, it will be one more heavy burden and obligation. And we are ready for that.

Dear voters! Your vote is decisive. It is on you that the further fate of our country depends.

We hope that, based on the above, you will find our activities worthy and give your votes to the Union of the Children of God. By the same token you will perform your duty to the All-Powerful, the people, the country, and above all, to the children of God.

We thank you in advance for your support!

May God protect you and All Georgia!

National Party of the Demographic Society

93US0171B Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 3

[Article: "Election Platform of the National Party of the Demographic Society of Georgia"]

[Text]

1. The complete collapse of the ruling Marxist-Leninist ideology and the restoration of Georgian independence place on the agenda the development and implementation of our idea of Georgian statehood and national rebirth and development.

2. The Georgian people should have a clearly formulated conception of national development that is able to stand the test of time. Otherwise the short-term program of any political party, unable to stand the heavy pressure of the national idea, will not lead to the rebirth of Georgia and the Georgian people.

3. The main challenge of Georgian political thinking today should be considered development of a demographic conception of Georgia and putting it into effect as quickly as possible.

We believe that a correct demographic policy, based on international law, and a program for rapidly improving the country's economy which envisions equality of all forms of ownership, are the conception of national development without which, even with a real rebirth of Georgia statehood, development of the Georgian nation is impossible.

4. The scientifically sound demographic policy should be made the basis of programs for the political, economic, or social development and legislative acts of Georgia.

5. The National Party of the Demographic Society of Georgia considers itself to be the heir of that strategic line of Georgian political thinking which is characterized by:

(a) state independence; (b) representative government; (c) territorial integrity; (d) national and personal liberties and rights; (e) ethnic, religious, and political tolerance; (f) private property; (g) social responsibility; (h) the natural-historical principle of economic development; (i) international cooperation on the basis of generally recognized legal and moral principles.

6. The National Party of the Demographic Society of Georgia uses only parliamentary methods in its struggle to achieve the outlined goals.

1. The People and Territory, National and Personal Liberties and Rights

1. Improving the demographic situation of Georgia is a fundamental question for its national and social development because it directly defines the question of the existence of a population of indigenous nationalities (Georgian, Abkhaz) of the republic in their historical territory.

2. The social-demographic policy of Georgia flows directly from the historical, economic, social, and national-cultural features and demands of its development. Therefore, solving any of its questions is an exclusive prerogative of Georgia as a state, which it exercises through the unified actions of state and social structures.

3. The comprehensive regional program of the scientifically sound conception of the social demographic development of Georgia should be spread to all the territory of the republic. At the same time it does not preclude the priority of particular thrusts of demographic policy and applying them in a differentiated manner and by stages. It presupposes preferential rebirth and development of those regions where abandoned towns and cities are to be restored, new population points created, where victims of natural disasters live, where the natural influx of people is low and the threat of depopulation exists.

4. Beginning from the proposition that for the indigenous population of the state the national question is the question of its historical fate while for all other nationalities living in the state it is a question of one's personal fate, the party distinguishes between personal and national rights.

Personally citizens of the Republic of Georgia should not differ in their rights depending on their ethnic affiliation and their equality should be guaranteed in law.

The national equality of citizens of Georgia does not mean that the nations they represent have equal rights in the Republic of Georgia; the advantages of the indigenous nations should be guaranteed by law.

5. All nations living in the Republic of Georgia should be guaranteed the right of cultural autonomy.

6. The international human rights agreements should be reflected in the Constitution of Georgia without amendments.

7. One of the basic human rights should be considered affiliation with or return to one's linguistic and national unity—unobstructed restoration of surnames, nationality, and language that were lost for various reasons and resettlement to one's historical homeland.

8. The state should protect the right of the indigenous (autochthonic) population in its ethnic and economic conquest of its own national territory.

9. Legislative acts should be developed and ratified which prosecute each particular case of ignoring the demographic interests of the indigenous population of the republic, whether it be industrial, energy, transportation, or construction planning or the like.

10. In addition to restoration of the honorary title of the Republic of Georgia "Mother of Georgia" and the labor holiday "Mother's Day," the Demographic Society of Georgia and the National Party of the Demographic Society of Georgia are continuing to work out key legislative programs and drafts for governing demographic processes.

II. Private Property, the Natural-Historical Principle of Economic Development, and Social Responsibility

1. The determining general sociological principle of the economy of the Republic of Georgia should be recognized as the natural-historical principle of socioeconomic development based on people's self-government and independent activity.

2. Nonintervention by the state in the process of development of the national economy.

3. The determinant of the development of industry in the Republic of Georgia should be the path of transition from state monopoly to private and joint-stock production.

4. Of the two classical forms of agricultural development, large estates and small farms, the party in principle prefers the latter, which in Georgian reality means a transition to peasant farming based on independent activity and a market economy.

5. As a result of the transition of the entire national economy of the Republic of Georgia to the principle of market economics, the executive power should develop a special program of social assistance and public works for the purpose of affording social protection to the population.

III. Toward Formation of a Law-Governed State

1. The National Party of the Demographic Society of Georgia considers it essential to develop a new Constitution and establish the legal succession of our state with due regard for contemporary realities.

2. An essential condition for the formation of a law-governed state is the creation of an independent Supreme Constitutional Court which will verify that each law corresponds to the Constitution and annuls all enforceable enactments which contradict the spirit and letter of the Constitution and the rights and liberties it grants.

The National Party of the Demographic Society of Georgia will never be indifferent to who is living in our historical territory, washed with the blood of our ancestors.

When replacing the Marxist-Leninist ideology with the demographic ideology the National Party of the Demographic Society of Georgia believes that no single political party and organization operating in Georgia, no political and public figure who feels his responsibility to voters, the people, and the country, has the right to bypass the questions we have posed.

Either an alternative ideology which the Georgian people will accept should be proposed, or the political parties and organizations recognize its primacy and will rely on the demographic ideology in their programs and platforms.

Union of the Restoration of Justice

93US0171C Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 3

[Article: "Preelection Statement of the Union of the Restoration of Justice—the 'KhMA ERISA'"]

[Text] "A man is not born for defeat. A man can be destroyed, but he cannot be beaten." Ernest Hemingway

Prologue

The Union of the Restoration of Justice—Khma Erisa:

- strives to see that Georgian law, relying on the principles of international law, reflects as fully as possible the ideals that flow from Georgian national consciousness;
- condemns the use of any force and employs only lawful, peaceful, and political means in the struggle to achieve its ends;

- aspires to the complete independence of Georgia, establishment of real democratic structures in it, and participation in governing the state.

1. What Has Been Cannot Be Changed

The Union for the Restoration of Justice—Khma Erisa:

- taking note that as the result of the multiparty, democratic elections of 28 October 1990, in compliance with all norms of fairness and real consideration of the will of an absolute majority of the population of Georgia, the Supreme Soviet of Georgia was elected; and also
- taking note that in the referendum held on 31 March 1991 an absolute majority of the population of Georgia voted for restoration of the state independence of Georgia on the basis of the 26 May 1918 Act of Independence, relying on the results of the referendum the Supreme Soviet of the Republic of Georgia on 9 April 1991 adopted the Act on the State Independence of Georgia, and also
- taking note that on 26 May 1991 a presidential election was held in full compliance with legality and by the will of an absolute majority of the population the first president of independent Georgia was elected from among the alternative candidates; and also
- taking note that the lawful authority was overthrown by a military coup in December 1991 and January 1992 and the state structure collapsed, by the same token flouting the will of an absolute majority of the population of Georgia and the rights and duties granted them by the Constitution; and also
- taking note that the Military Council formed on 8 January 1992 illegally suspended the Constitution (Basic Law) of the Republic of Georgia, which marked the beginning of the complete collapse of legality in all the territory of the Republic of Georgia; and also
- taking note that on 21 February 1992 the Military Council illegally restored the Constitution of Georgia adopted on 21 February 1921 (in reality it was only proclaimed) (see Articles 5, 146, and 147 of this Constitution); and also
- taking note that despite the repeated demands to listen to the will of an absolute majority of the population of the Republic of Georgia those who came to power in the state through the military coup did not take a single step to restore legality (action by a lawful organ to set elections for a new parliament, setting a referendum to clarify the vote of confidence of the president of the Republic of Georgia, and so on).

2. That Which Is, Is Reality

It is hard, and considering our reality almost impossible, to find a correct and painless way out of the many strained situations without some kind of compromise among the opposing sides. But compromise is probably the only way that will replace the tense situation that has developed in Georgia and somehow establish stability. Legality has always been the source and foundation of stability. The present day is no exception. Stabilization based on brute force alone, no matter how reasonably it is camouflaged,

will not escape the necessity of demonstrating force and will always lead to bloodletting and popular discontent.

The Union of the Restoration of Justice—Khma Erisa:

- taking note that despite the fact that the elections to the Parliament of the Republic of Georgia were set by an unlawful organ and the will of the absolute majority of the population of the Republic of Georgia was ignored in advance in the Statute on the Elections (when participation in the elections by more than half of the population of the Republic of Georgia is mandatory in order for the elections to be recognized as valid) a threat is arising that the parliament elected in this manner will not express the will of a majority of the people and carry their trust, but may be a defender of the interests of just a certain part, a narrow circle of the population; and also
- taking note of the fact that the Union condemns the use of any force and employs only lawful, peaceful, political means in the struggle to achieve its goals.
- the Union of the Restoration of Justice—Khma Erisa has adopted a decision to participate in the parliamentary elections set for October and in the actual situation resulting from today's realities considers this the only means available to us to restore justice in peaceful form.

3. What Will Be Depends on Us

In most instances justice is the subject of quarrels and debates, but force that violates a right is undisputed. Justice, like a baby at the breast, needs loving care and great attention. Therefore force does not recognize it and considers it powerless. Until justice becomes strong the impression is created that only force is just. And justice struggles against force summoned by injustice.

The Union of the Restoration of Justice—Khma Erisa (Voice of the People) in its very name is already carrying on the restoration of justice violated in any sphere. The voice of the people is indeed the guide and landmark on the path to any cause. The call of the people, which is never mistaken, is truth. We firmly believe that every instance of stopping a violation of justice should be directed to achieving the welfare of the country and the people. It should be based on this and become the main starting point in the activity of each member of this union. The main attention of the Union of the Restoration of Justice—Khma Erisa is focused precisely on the people in the broadest sense of this word.

The Union for the Restoration of Justice—Khma Erisa believes that participation by every citizen in the elections and his expression of will in this form should be the building block in actions directed to restoring justice and will serve as a barrier against lawlessness and injustice.

The Union of the Restoration of Justice—Khma Erisa believes that the population of Georgia must be completely aware of the fact that they must become the real masters of their country, language, or religious belief. We should also restore the shaken faith that this is and should be the cornerstone in any structure of state power: each person should be aware that the fate of the country must be in the hands of the voters.

The Union of the Restoration of Justice—Khma Erisa believes that if, with the support of a certain part of the population of the Republic of Georgia, the candidates and deputies named by our Union are elected to the Parliament of the Republic of Georgia, they will do everything possible to see that all important issues are decided as the interests of the people demand and that justice will be defended with due regard for the will of the people.

The tragedy which was played out in December and January further juxtaposed two sharply differing, opposed views. Each side believes that it is right, but most importantly they see a majority of the inhabitants of Georgia united around themselves. In such a situation a reasonable compromise and unification of the people are essential. Unification of the two sides can only take place on the basis of legality, and those who are victorious in the upcoming elections (and we are certain that they will be from both sides) will take on a heavy burden. The right to do this will be given by victory in honest elections.

In the voice of the people there is the strength necessary to restore any justice. And persons who fight for the restoration of justice may only please those who are like them. Therefore those who hate any law cannot make people like them. You can only make a person like you if he does not consider you an enemy.

The Union of the Restoration of Justice—Khma Erisa is a union of those fighters for justice whose activities are not limited by the framework of time and space.

And if a man cannot be beaten, let us come to our senses and not destroy each other.

May God keep you and All Georgia!

People's Party

93US0171D Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 4

[Article: "Election Platform of the People's Party of Georgia"]

[Text] Georgia is a legally independent state. A struggle is underway to restore its sovereignty in internal affairs. Special significance here attaches to the elections to the republic parliament, which should become a guarantor of the unity and civil peace of the Georgian people and all Georgia.

The People's Party of Georgia (PPG, founded on 28 July 1990) is a centrist political organization of liberal tendency. The basic principle of action of the PPG is **freedom, reason, and moral equality**. The PPG did not take a liberal stance by accident. The events which developed in the national forum in the spring of 1990 with special urgency placed before the Georgian people the questions of the lofty goal of the liberation movement, reason, and morality. Out of loyalty to this principle the PPG was recognized at that time as a liberal political organization. In the current phase the priority missions of PPG activity are: protection of human rights, strengthening solidarity among peoples, settling interethnic conflicts and antagonism by peaceful means, and establishing contacts with parties oriented to liberalism in order to work out a common program of action.

The PPG fully shares and joins in the program documents of the world liberal international and expresses its willingness to give comprehensive assistance in the continued rise of the international liberal movement, which is a guarantee that the goals facing contemporary society will be accomplished.

Liberalism (from the Latin "liberalis"—free) traces its history back two centuries. It was born in the depths of the bourgeois revolutions. The most significant principles of liberalism are: **reason** as the means of thinking, **the supreme goal** as the foundation of activity, **individualism** as the right, duty, and responsibility to act on one's own initiative, and **moral equality** as the criterion for interaction with people.

The history of Georgian political liberalism has its beginning in the 19th Century. The activities of Ilya Chavchavadze and his comrades-in-arms were a brilliant example of liberalism. The "struggle of the fathers and the children," between the old Georgian aristocracy and the just-born national bourgeoisie, ended with the victory of liberalism. Unfortunately, the events that took place in Russia at the turn of the 20th Century held back the development of Georgian liberalism for a long time. The Georgian imitators of Blankism rendered a merciless sentence on national liberalism at Tsitsamuri.

The rebirth of liberalism in Georgia begins in the 1970's. Its political persona has finally been sketched out in recent years. From this point of view the inception of the "new political thinking" and its practical implementation, by which Georgian politicians made a contribution to the development of world liberalism, were especially significant.

Liberalism is the cornerstone of the political system of the democratic state. Propagation of liberal ideas should be a priority task of the society.

The party and the political system. It is not possible to picture a democratic political system without a broad party spectrum. Based on this observation a multiparty system should be given determining significance in forming a civil society and in social control of public power. The goals facing the country can only be met with an activation of the entire political system in Georgia, joint actions by all parties and public organizations, and also constructive, supportive cooperation between the government and the opposition.

The State. The state is the implement of society. It should act in conformity with the basic rights and liberties of citizens. The priority task remains decentralization of control, which should occur in the direction from its traditional vertical division toward broadening on the horizontal based on growth in regional and local self-government. Georgia needs a democratic order to exercise the jurisdiction of the state in the territory of the whole country and overcome the misfortunes inherited from the red empire.

Legislative Power. The supreme power in Georgia should belong to the parliament (200-250 members), who are elected for 5 years, no more than two terms. The Parliament consists of two chambers: the upper and lower, which have equal rights. The lower chamber, the **congress** (house

without charge (or at a significant discount), which is a guarantee of rapid commercialization and capitalization of the population and an economic upswing; stimulate private entrepreneurship; adopt antimonopoly laws; and carry out other measures which, on the one hand, will increase the entrepreneur's ability to compete and, on the other, will protect the rights of the consumer; along with **privatization of land** subsidize peasant farming; introduce protectionist tariffs on agricultural products; reduce taxes on poor people and families and, in some cases, completely free them from taxes; soften the negative impact of unemployment; defend the rights of convicts and their families; introduce monetary penalties instead of incarceration for certain types of crimes; improve the social security system and increase state payments to social insurance; to solve banking problems; issue long-term (25-30 years) loans for housing construction; form a state housing fund that offers units for lease; and build housing for those who do not have housing.

The PPG emphasizes the fact that an individual's high socioeconomic status should be determined only by his opportunities to realize himself, make choices, and show capabilities. The society of equal opportunities (but not results) to which the PPG aspires creates prospects for all.

Individual success is a guarantee that the entire society will flourish.

Georgia is at a historical frontier, beyond which the vast spaces of the third millennium are revealed. Tens of thousands [sic] of menacing years are behind us. Nor is there any guarantee that the Georgian people's path from here on will be strewn with nothing but roses. The country is just emerging from a 100-year war; it is scattered, but strong in spirit and proud. Ahead of us lie new fights and struggles—much more cruel and ruthless, hard. The struggle for universal peace, the victory of the ideals of freedom, reason, and morality, for it is still far from Europe to Asia, from America to Africa and Australia. The political elements of the West and East, and in neighboring foreign lands, are still turbulent. Suffering from civil war, the ideologists of particularism and separatism in Georgia, our long-suffering homeland, are quieting down.

Georgia is at a historical frontier. All roads lead to the future. Georgia cannot go back.

Onward and upward, Georgia!

Party of Friendship of Peoples and Justice

ZIS SOLT'IE, Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 4

[Article "The Preelection Platform of the Party of Friendship of Peoples and Justice"]

[Text] Georgia today is in a very grave economic and political phase. There is a threat to the territorial integrity of Georgia. The guarantee that a way out of this crisis situation will be found is the future parliament and development of a free, sovereign, unified, democratic state with high moral principles.

The Party of Friendship of Peoples and Justice calls on the population of Georgia to make their choice with great attention and a high level of civic responsibility and not to

let the newly elected parliament through its members become a spokesperson for the interests of any one political force, for there is no political party in Georgia today that is capable of independently governing the state, bringing it out of crisis, unifying the divided people, averting a social explosion, and making the broken economic levers work.

Experience has shown that one political force taken alone is not ready to govern the state and call itself the ruling party, the leading party. The attempt to do this had the negative results of 28 October 1989. It turned out that the parliament elected did not have the ability to govern the country.

The patriotic political force of the Communist Party, which during its rule became completely cut off from the people and established a dictatorship, has also become history. The elite part of this political party, changing its outward appearance and making its characteristic claims, is aspiring to power today too. Despite their professional and high-powered education and their rich experience in the Komsomol and party school of governing the state, we consider it a mistake to declare full trust in these forces. Because during the period of their Komsomol and party activity they also acquired such harmful habits, we do not think that they were able to rid themselves fully of these traits. The above does not at all mean that their theoretical and practical know-how and professional knowledge will not be used in particular sectors of the economy.

The newly elected parliament should be able to carry out radical measures for the economic rebirth and political stabilization of Georgia by peaceful and democratic means. Therefore we must express our trust in those candidates who have the abilities and education necessary for parliamentary work, who are untroubled by personal ambitions and delusions of grandeur, and stand out for their courtesy, strong will, high sophistication and moral qualities, and ability to establish free, clear working relations with people. But it is our opinion that like the first parliament, the one elected on 11 November 1992, no matter what members are elected, will not be insured against shortcomings and will not be able to meet those economic and political demands which face the Georgian State at the present time. We consider the newly elected parliament to be a stage leading to a freer, improved, and more democratic parliament.

The new parliament should solve the following problems in stages:

1. By means of a referendum after total public discussion, the parliament should adopt a new Constitution based on the 1921 Constitution.

2. Beginning from the interests of the Georgian state, establishment of the status of citizenship, which will make knowledge of the Georgian language, traditions, and cultural heritage mandatory for the population living on the territory of Georgia and willing to defend the state interests of Georgia. This is the only way to unite the representatives of all the nationalities living in Georgia, restore friendship, and build a law-governed state in which human rights and international legal principles will be protected by the supremacy of the Constitution and the law.

3. Defense of the territorial integrity of Georgia means formation of national armed forces equipped with contemporary military knowledge and professional military hardware.

The withdrawal of Russian troops from Georgian territory and entry of the Republic of Georgia into the NATO bloc.

4. Rebirth of the national economy, development of a market economy, private property, and free entrepreneurship.

5. Development of scientifically sound, priority directions of agriculture and industry which will become the basis for the formation and development of the Georgian national economy.

6. Transfer of the land to private ownership.

7. Attraction of foreign capital to develop the economy of Georgia on the level of world standards, development of business, expansion of economic contacts with the countries of the world where the economic interests of Georgia will be protected.

8. Legal protection of private and state property—rational use of Georgia's geographic position, natural wealth, and material assets and institution of rigorous checks of environmental protection by the state

9. Introduction of Georgian national banknotes, formation of national credit-tax and budget systems to preclude financial dictates by other states

10. Development of a law-governed state, separation of the legislative, executive, and judicial powers.

11. Unwavering protection and support for the social guarantees of the Georgian population

12. Review and appropriate amendment of decisions made by the state up to this time and legislative enactments of legal importance

13. An unrestricted right to education and labor activity for all citizens of Georgia, both in Georgia and beyond its borders

14. Development of sports and tourism

15. Correct organization of the process of teaching and indoctrinating young people in elementary general educational schools, and introducing the principles of religious upbringing for the moral improvement of the adolescent generation

16. Development of national culture, establishment of the Georgian language as the state language of Georgia, and also protection of the cultures and languages of representatives of other peoples living in Georgian territory

17. Uninterrupted contacts between deputies and voters making all pressing issues proposed for discussion in parliament into subjects for preliminary discussion and analysis by the voters, which is the true way to implement democratic principles in the political life of Georgia

Socialist Party of Workers

93US0171F Tbilisi SVOBODNAYA GRUZIYA
in Russian 29 Sep 92 p 4

[Article: "Preelection Program of the Socialist Party of Workers of Georgia"]

[Text]

1. In the Sphere of Political Life

The goal of the Socialist Party of Workers of Georgia is to defend the political, social, and legal interests of laborers of the republic—workers, peasants, and intelligentsia—regardless of their social status, nationality, or religious beliefs.

The rights of citizens of the republic, autonomous units, and local self-governments will be defined and fixed by the Constitution of Georgia, whose adoption should be the main task of the newly elected legislative organ.

The Constitution of the Republic of Georgia should be developed with due regard for the experience of the democratic states and for present realities in Georgia. The state should ensure precise observation of constitutional rights and duties through the political institutions created by the will of the people and subordinate to the state.

All the most important proposed laws which touch the interests of broad strata of the population should be discussed extensively and openly by universal voting (the referendum). Laws and all other enforceable enactments should be unambiguous, available, and really understandable to citizens. The constitutional court, elected by the parliament, will be the mechanism for compliance with the Constitution.

In the political structure power should be represented by three distinct systems—legislative, executive, and judicial—which will operate only on the basis of the law. Free activity by political parties and public organizations—trade and creative unions, unions of young people, women, veterans, and other registered organizations—will be authorized. Prohibitions against them are unacceptable if they have not committed anticonstitutional acts. The organs of state administration and political parties should have the right of legislative initiative.

The state language in Georgia will be Georgian. Along with this each citizen can freely use another language which is more convenient for him in communication with those around him. People will be given freedom of religion, speech, and press and the right to organize rallies, demonstrations, and meetings. Religious, racial, and ethnic restrictions are not allowed. Inhabitants of Georgia, regardless of citizenship, observe the laws of the republic and respect the traditions and customs of all the peoples who populate the republic. The formation, modification, and abolition or renaming of territorial-administrative units is under the jurisdiction of the central power of the Republic of Georgia.

2. In the Sphere of Material Life

The Socialist Party of Workers of Georgia believes that citizens should have equal rights in the economic field and in other activity. Entrepreneurial, creative, and organizational labor are free.

The Socialist Party of Workers of Georgia gives preference to public ownership of the means of production, but along with this and taking account of specific conditions supports those forms of ownership which, in the given, specific conditions, ensure comparatively high rates of labor productivity and production growth and implementation of the principle of fair distribution depending on the contribution made to public production, and preclude any kind of exploitation of one person by another, threat of unemployment, and ecological and technical danger. The state should regulate the main directions of the economy.

In the cities the housing register which existed previously should be restored, and the city-dwellers who were on it should be given state housing free of charge.

Large and medium-sized enterprises should remain in state ownership, while small ones can be leased out or transferred free of charge to the labor collectives as collective (cooperative) property.

The party believes that land, water, the earth's interior, the forests, and fixed production capital should generally be all-people's property. Part of the land will be transferred for permanent use with right of inheritance in the form of garden and dacha plots, for rural dwellers as well as city people, using differentiated norms. Leasing land is allowed. Cooperative farms will have the right to own and use land; the forms of cooperative economic activity are determined by the inhabitants of the given populated point themselves.

3. In the Sphere of Social Protection of the Population

The Socialist Party of Workers of Georgia demands that the primary concerns of the government be systematic and consistent improvement of citizens' domestic conditions, involvement of all able-bodied persons in labor, elimination of unemployment, establishment of a minimum standard of living and preventing the tendency for the standard of living to decline, and state regulation of prices for essential consumption goods so that all strata of the population can buy them according to established biological norms. The amount of pensions should be determined generally according to the level of the worker's labor activity.

The state is obliged to give solid guarantees of social protection for the population. Old people and invalids deserve society's attention and respect. Veterans of war and labor and the families of deceased fighting men should be surrounded with concern. Young people should be given conditions for study, labor, recreation, and playing sports.

The state should declare a determined struggle against terrorism, corruption, bribery, drug addiction, parasitism, theft, and robbery.

The party strongly condemns manifestations of bureaucratism and indifference to the just demands of people.

The state should ensure that citizens of the republic have free medical care and education.

Wages to civil servants and employees of budget organizations and pensions and stipends to students and pensioners should be paid in indexed amounts. The state is expected to take over concerns about each aged or invalid citizen of Georgia who is left without family.

4. In the Sphere of Spiritual Life

The party will show unflagging concern for and do all it can to respect the moral traditions of the Georgian people, restore the institution of respect by young people for their elders, and instill the habits of national family upbringing and sensitivity toward the character and ways of peoples of other nationalities.

The party rejects any attempt to defame and blacken the historical past of our ancestors and older generations or any hostile and cynical attitudes toward those who think differently. It declares a determined struggle against bad language and disrespect for old people, women, and children.

The publication of literature that propagates pornography and violence and the showing of cinema and video films of this type should be strictly forbidden. The state is obliged to erect barriers that prevent sadism, drug addiction, dissipation, violence, distribution of improper erotic works, and games of chance.

The authorities are obliged to show concern for harmonious development of the individual, molding humanity, love for fellow beings, tolerance, and respect for the opinions of others in human consciousness and behavior, and to condemn firmly manifestations of social, national, and religious conflict.

Assistance to people in need and charity should become the moral norm.

The development of science, culture, education, and public health should be a prime concern of the organs of state power and administration.

Citizens of the republic will have a right to express their own ideas, views, and thoughts if they do not contain propaganda for war or calls to religious intolerance, overthrowing the existing order by force of arms, or statements that offend personal dignity.

The level of citizens' education should be commensurate with the phases of society's future development and create the preconditions for young people to take part in material production and the spiritual sphere according to their talents and inclinations. The state is expected to make rational determinations of class size at higher educational institutions, schools, and the system of secondary specialized and vocational-technical education with due regard for the prospects of subsequent employment of the graduates.

5. In the Sphere of Shaping the Structures of the Law-Governed State

Georgia should become a law-governed democratic republic where supreme power belongs to the people, who govern the state through the elected representatives of the

organs of power. The Constitution should clearly and unambiguously formulate the rights of legislative and executive organs and the supreme court, their functions and duties. Instances of failure to perform duties, exceeding authority, or violating the law should be reviewed by the constitutional court, whose decision is final. The constitutional court is formed by the legislative organ.

A reliable mechanism should be formed in Georgia for protection against hostile elements within the country. This should take the form of Georgian internal and police troops who operate exclusively in the spirit of the law and are accountable before the law.

The republic will have its own army, which will receive its share of the navy, aviation, and other military hardware and structures from the Ministry of Defense of the former USSR.

The working people of Georgia should be given conditions for a peaceful life. No one has the right to detain and search a citizen without an order from the appropriate law enforcement organs. And a person is considered innocent until the accusation against him is confirmed by an impartial and independent court in conformity with the law. The death penalty can be used only with people who have committed murder.

Interference in a person's personal life is prohibited. The state is obliged to observe secrecy of correspondence and telephone conversations. The law forbids offending personal dignity publicly, by means of the press, radio, and television.

The citizen of Georgia should be adorned with the right to travel and live anywhere without obstruction.

The party supports the Universal Declaration of Human Rights and other international legal acts adopted in conformity with the Charter of the United Nations Organization.

The representatives of all nations and ethnic groups living in Georgia should unite, build a new life together and to strengthen their friendly relations, friendship, unity, and integrity of the territory, territorial capabilities of its borders as the apple of the eye.

That is the election program of the Socialist Party of Workers and Peasants.

The party expresses the hope that the voters will study the program carefully and, sharing its principles, will express their support of our party by voting for it in the upcoming parliamentary elections.

Preelection Platforms Published

Society of St. Ilva the Righteous

Address: 11 Thbilisi SVOBODNYA G. RUZIYA

Address: 11 Thbilisi SVOBODNYA G. RUZIYA

Elect under the slogan "The Path to Unity, Independence, and Democracy." "The Preelection Program of the Georgian Society of St. Ilva the Righteous."

Elect

In the Area of Politics

The Society of St. Ilva the Righteous, which was formed in Georgia under this name in late 1988, views the country's independence and democracy as concepts which are on the same plane. And in order to achieve the program goals, preference is given to peaceful, political means. In the future it plans to be guided by these principles in approaching issues of internal party and interparty relations and the country's domestic and foreign policy.

The Society of St. Ilva the Righteous, which from the very start has had the stature of a national party, will continue to devote every effort to the struggle to achieve its goals in the spirit of this stature, for we adhere to the opinion that in the course of its development world thought has passed through the periods of pre-legal and legal memory. Today's civilized world, arising from precisely this, is guided by historical and legal principles in international relations.

Throughout their historical existence, every large and small state possessed territories of differing size, and some of these were erased from the face of the earth by virtue of the lack of an international-legal mechanism for their security, or, in other words, one state recognized the borders of other states (regardless of whether they were legal or illegal from the standpoint of historical justice) until such a time as it had accumulated the power to change them, that is, the concept merely existed de facto, and this, as life confirmed, did not create a strong foundation for the inviolability of borders. The situation in this regard was fundamentally corrected in the early 20th century with the creation of the predecessor of the United Nations Organization, the international organization called the League of Nations, which introduced and confirmed the concept de jure in addition to de facto as the standard in international recognition of states. As a state Georgia has passed through these stages of development of civilization in full. From the viewpoint of the Society of St. Ilva the Righteous, today, when a new repartition of the world is underway, the primary foreign policy task of the Georgian nation is to return or at least preserve for its progeny the right of succession to Georgia's status of 1918-1921, which was already recognized de facto and de jure once.

However, we consider Georgia the country of the Georgians, with a unique culture, language, morals, and customs. The Georgian nation by nature is distinguished by democratism and tolerance. Historically ethnic minorities have never been subjected to oppression in Georgia. The Society of St. Ilva the Righteous believes that in Georgia if anyone's rights are violated, then the rights of the native population are violated too, and we are convinced that if the rights of Georgians are protected in Georgia, then this will at the same time become a guarantee of the observance of the rights of the ethnic minorities who live here.

In an independent and democratic Georgia, in our opinion, state power must be separated into the legislative, executive, and judicial branches. In Georgia we must introduce those structures of the state order which, taking into account the historically molded character and morals of the Georgian, may now be put to the service of the nation full-time. We consider parliamentary government

the most acceptable form of state government. The parliament should consist of two chambers, the upper and lower. Members of the lower chamber are elected by universal, secret, and direct suffrage, and the upper chamber—on the administrative-territorial principle; the parliament elects the chairman and the chambers—their speaker.

Executive power is exercised by the government, and the members of the government appoint its chairman. These members are considered by the upper chamber and approved by the lower chamber. The parliament appoints the chairman of the government from its own membership for a 2-year term. In the event the parliament expresses lack of confidence, the government as a whole or individual members of it are obligated to resign.

The Supreme Court made up of 11 people represents the judicial power. The members of the Supreme Court are elected by universal, secret, and direct suffrage for a 6-year term. The Court is obligated to comply with the Constitution and other laws. A verdict may be reviewed only by higher-ranking judicial organs. The institution of juries exists in the court.

Such a separation of powers will ensure the confirmation and strengthening of democratic principles in Georgia. The Universal Declaration of Human Rights guarantees full implementation of the rights granted to every citizen.

In the opinion of the Georgian Society of St. Ilya the Righteous, the withdrawal from the republic's territory of the full complement of Russian occupation troops is a necessary prerequisite for building an independent and democratic Georgia; their presence in Georgia (and not only in Georgia) is even now causing ethnocidal and fratricidal conflicts. But if we want to confirm a worthy place for ourselves in the community of world states, we must escape from Russia's political orbit once and for all. Close military-political cooperation with the democratic states of Europe and America and their military-political alliance (NATO) represents the guarantee of Georgia's security, as the Georgian unified armed forces do also. This, of course, does not mean that we should not maintain amicable relations with neighboring countries, even with Russia itself.

We believe that the Church must play an important role in the matter of indoctrination and education but should not participate directly in state government.

In the Economic Area

In recent years the Republic of Georgia has found itself on the verge of economic catastrophe as a result of bad government. Among other things, the government made political decisions without taking into account possible economic cataclysms, which is destructive for any country, but especially if that country represents part of a unitary totalitarian economic space and does not even have its own monetary unit.

The several-fold drop in the republic's economic level caused the level of crime to grow in the same measure. As of today the system of dictatorial control has been virtually destroyed. But the mechanism of market economic control has been unable to take its place. Fundamental restructuring of the economy is needed.

We consider the following the primary essential factors to bring Georgia out of the economic crisis:

- national and civil consensus;
- the supremacy of law;
- introduction of our own national monetary unit;
- normalization of the customs service;
- privatization of state property;
- study by the marketing service of the conditions of the domestic and foreign markets;
- normalization of the currency-banking system.

In order to implement economic reform, we must issue our own monetary unit. Or at the very least create a mechanism of self-protection from the artificial inflation of the ruble. Otherwise, an outflow of goods from the republic is inevitable.

Coordinated actions by the people working in the economy and the juridical service will help avoid the undesirable experiments which are taking place even now.

We must create a mechanism of real protection for entrepreneurs, which will help develop free enterprise.

Privatization is the most painful part of the reform being implemented and demands caution. We must accurately and precisely formulate a law whereby only if the acceptable number of work places is maintained in relation to any base year will the collective or person have the right to privatize the enterprise. This will help us prevent simultaneous, mass unemployment among social strata, force managers to think not only of the profitability of production but also of the employment of released workers in other spheres of activity, and provide an opportunity not to leave the intellectual potential which does not have sufficient monetary means to create its own production facility without work. The state is obligated to watch over the use of the enormous intellectual potential which exists in Georgia.

In the event certificates are used for privatization, exercise of the right to privatization will be granted to each person in equal measure. The state must surrender the leading positions in the economy after a mechanism of economic regulation is formulated and the signs of the formation of a market economy appear.

We must have unified, coordinated actions by politicians and economists and combine them into an element of situational management to ensure social equilibrium and maintenance of the minimum material standard of the masses; that will result in a reduced number of potential crimes committed because of material difficulties.

Privatization of land and state property must be implemented after the status of citizenship is introduced.

The customs service is of vital importance to the country. Taking into account geopolitical position and based on Georgia's interests, the government must formulate a statute on customs duties in accordance with the recommendations of the marketing service. Complying with the law must be economically beneficial for the customs clerk (a certain percentage of the value of the goods detained in customs should make up the legal income of the customs employee).

The time for implementing the reform is limited. The national, political, economic, and intellectual forces of Georgia, regardless of political convictions, are called upon to serve the Fatherland. Georgia must not be a country of slogans.

Union of Georgian Traditionalists

93US0172B Tbilisi SVOBODNAYA GRUZIYA
in Russian 30 Sep 92 p 2

[Text under the rubric "The Path to Unity, Independence, and Democracy" "The Preelection Platform of the Union of Georgian Traditionalists"]

[Text] The Union of Georgian Traditionalists is an organization fighting for the accession of the Georgian national idea. Today the primary condition for implementing this idea has been achieved—the independence of the Motherland, and the Union made its contribution to this. We must perform a second vitally important task—we must begin the formation of Georgian statehood. In that way the chaos in the country which is threatening the nation with degradation will be ended and the most important thing, its spiritual and physical development and the revival and development of a way of life worked out over the millennia and of a unique culture, will be ensured. It is precisely with this goal in mind that the Union is participating in the parliamentary elections, since it considers parliament in fact to be a Constitutional Assembly which must lay the foundation for the revival and formation of Georgian statehood. The Union's goal is to ensure that this happens with due regard for perpetual national interests, on the basis of the historical experience and thousand years of traditions of statehood, and relying on our moral, cultural, and economic legacy. Over the course of 3 years, the Constitutional Assembly should lay the foundation of a national, law-governed state which the Union of Georgian Traditionalists sees as follows:

I. State Government

Georgia must be formed as a parliamentary (constitutional) kingdom. In that way it will revive the 2,000-year-old tradition of statehood and immediately become one of the dozens of states where the monarchical order represents a guarantee of stability, democracy, economic well-being, high morals, and culture. The king will perform the obligations of head of state with precisely defined powers—he will be the supreme representative of power within the country and outside its borders, approve the laws adopted by the parliament and the major decisions of the government, be given the right to pardon, become a symbol of the unity of the nation's past and present and the unity of the nation, and support national culture, sports, and nature.

The separation of powers must be ensured for democratic government of the country.

1. The Legislative Power (Parliament)

The supreme legislative organ of the state is the two-chamber parliament whose upper chamber consisting of 50 members will be elected by majority rule, while the lower chamber consisting of 100 members will be proportionally elected by party rolls. The chambers are equal and both

personal and party factors will be reflected. The following are the functions of parliament: adoption of laws; determination of the country's domestic and foreign policy; ratification of the budget; and formation and monitoring of the government.

2. The Executive Power (The Government)

The government is approved by parliament. The following are under the jurisdiction of the government: execution of laws adopted by the parliament and issuance of subordinate enactments in keeping with those laws; implementation of the state's domestic and foreign policy; management of the state apparatus, and preparation and execution of the budget. The government has the right of legislative initiative.

3. The Judicial Power

The real independence of the court from other organs of power must be ensured; this is a firm guarantee of the protection of human rights and the creation of a civil society and a law-governed state.

The following are necessary to do this: a) all the judicial organs must be given the right of constitutional-law control of the normative enactments of the corresponding organs of legislative and executive power, b) cancel procurator supervision of court activities, c) extend the court's jurisdiction to all types of legal relations among the authorities and citizens. Cases to be reviewed by arbitration courts or other special courts or by a military tribunal must be within the court's jurisdiction; d) confer on the court the right to create courts, e) introduce juries.

II. The Administrative-Territorial System

The present administrative division and system of local government of Georgia is unfair both from the historical and economic standpoint and from the standpoint of administrative government. The division is unnatural and excessively fragmented, while government is strictly centralized, and that holds back the development of both regions and the entire country. Based on that the following must be done:

1. Divide the country on the basis of the principle of historic, geographic, economic, ethnographic, and administrative expediency into two autonomous republics and administrative oblasts which will consist of the present rayons and will themselves resolve the question of establishing internal rayons.

2. The centralized system of local government must be replaced by a decentralized one, which means election of organs of self-government by each administrative unit; the population of the oblast, rayon, city, and village must elect the corresponding representative organ which appoints the leader of the executive organ. He forms the executive apparatus and is subordinate to the representative organ.

III. Civil Law and Nationalities Policy

The Georgian state must ensure the legal equality of all citizens. The basis of this will be the Law on Citizenship under which all persons who live permanently in Georgia will be given the right to adopt or not to adopt Georgian citizenship. A period of 3 months should be given to make the decision. Persons who do not submit a petition for

adopt citizenship and do not take the oath of loyalty within this period of time will have the right to become citizens of Georgia only on the basis of strictly defined procedures. A ban should be established on dual citizenship and the automatic conferment of citizenship on ethnic groups. Of the nations living in Georgia, only the Abkhaz as indigenous inhabitants of the country should be guaranteed the right to political autonomy. The representatives of other nationalities should be given personal-civil and cultural rights.

IV. Foreign Policy

Ties with the neighboring Black Sea Region and Mediterranean Sea Region, with countries with which Georgia has been traditionally tied, and with large states should be given priority in foreign policy. In the near future it would be advisable [sic] for Georgia to join some political or military bloc, whether it is the European Union, the Commonwealth of Independent States, or the Caucasian Conference. It would be preferable to participate only in an association of the type like the regional cooperation zone of the Black Sea Area or the European Council. The main goal of foreign policy should be to free Georgia from foreign troops and to convert its territory into a neutral zone among different military-political groupings.

V. Defense and Security

The following structure of the armed forces and law enforcement organs would be advisable to ensure the country's defensive capability and prevent a military dictatorship: 1. The army (ground, naval, and air forces) is staffed on the principle of a universal draft with a basis of career personnel; it protects the state borders and is subordinate to the chairman of the government and the minister of defense. 2. The National Guard (internal troops) is staffed with reservists and is stationed in the capital and administrative centers, guards institutions and installations of state significance, is used during emergencies, and is subordinate to the parliament. 3. The police enforce the law and protect places of imprisonment, perform patrol duty, have special forces units for the fight against terrorism and organized crime, and are subordinate to the minister of internal affairs. This structure of the armed forces will ensure a balance among the armed formations. In the event of war, all armed formations are united and are subordinated to the Supreme Commander in Chief and his General Staff.

VI. The Economy

Economic reform must be based on the following fundamental principles: 1. The restricted role of the state in the economy. 2. The priority of private ownership. 3. Economic independence of entrepreneurs. 4. Unhampered competition. 5. Unhampered price setting. 6. Stabilization of monetary circulation.

Privatization. The basic principles of privatization will be voluntary agreement, almost exclusion of the participation of Georgia's citizens, and compromise with state interests. After the amount of property to be transferred to the private sector is determined, at least one-quarter of it will be transferred to citizens of Georgia without any compensation—only to those who have the stock, and they

will give their owners the right to obtain shares of a privatized enterprise free of charge and become stockholders in economic associations. Privatization must be carried out in stages. Natural persons will be given the right to form commercial banks.

Agriculture. Land must be transferred to private ownership (with the right of sale) by citizens of Georgia. The amount and rental payment of the land transferred must be determined in accordance with its productivity, its distance from the market for selling output, the extent of its infrastructure, and the demographic situation.

The Tax System. A decisive factor in the development of the economy and stimulating entrepreneurship is the introduction of a tax system, which means that the more the tax rate on profits increases, the more the tax rate drops on wages. To provide a powerful stimulus to increase productivity, reduce the tax on profits (income), it should not exceed 10 percent, and newly created enterprises and new sectors are exempt from tax on profits (income). The value-added tax should also be eliminated. Tax on culture and sports must be exempt from tax.

Georgian money. The revival of Georgian money has a decisive significance to economic system reform and the implementation of economic reform.

Social guarantees. When economic reform is being implemented, a minimum material standard must be established for citizens. For these purposes a mandatory minimum (bread, sugar, meat, and dairy products) is introduced under the passport system is established. The amount from the state budget is allocated for it.

VII. Health Care and Demographic Policy

In order to normalize and improve the demographic situation of the Georgian nation, the following measures are needed in the health care system: 1. The reform must be carried out by changing over to an insurance system that will ensure both the improved quality of health care and the greater social status and professional progress of the medical workers themselves. 2. The system must ensure the rebirth and strengthening of the Georgian nation and become the cornerstone of demographic policy. 3. The day for mothers should be reduced from 70 to 45 calendar days. 4. The time should be increased to 45 calendar days for the maternity leave—to 18 months, and all this is to be done under necessary conditions for mass and professional health care should be created for the nation's physicians.

VIII. Education, Culture, and Science

Protection of the cultural values created by the Georgian people over the millennia and the creation of the conditions for them to be multiplied and developed are the functions of a national state. It is on the basis of these values that the education system must be created, the consciousness and morals of the nation must be formed with this, reform of elementary secondary education must be carried out. Higher education must be based on a university network with the centers of capital and the centers of the administrative and economic oblasts of the country. The higher education must train highly qualified specialists for the needs of the state, accounting the interests of the independent republics.

the state education system must be free of charge. The parallel existence of private paid schools is permissible. Concern for the rebirth and development of national culture—folklore, ethnography, and national sports must be an organic part of state policy. The organization of nation-wide folklore festivals and national sports festivals will be a fine stimulus for this. Given the transition to a market economy, the state must ensure not only the normal operation of classical types of art—the theater, opera, film, and others, but also their modernization and development. Those sectors of science which serve to study the nation's spiritual values and scientific-technical progress should be an object of special concern for the state. Workers in education, culture, and science should be provided with material conditions in keeping with their social role and public prestige.

Georgia has broken the dam of two centuries of captivity. The Georgian people are at the crossroads of their history. Ahead of them is a long and steep rise. It is the path of truth, labor, love, courage, and dignity. It is the path of our sacred ancestors.

Ahead is the Georgia of David and Tamara!

National-Radical Party

93US01720 *Tbilisi SVOBODNAYA GRUZIYA*
in Russian 30 Sep 92 p 2

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Preelection Platform of the National-Radical Party of Georgia"]

[Text] The National Radical Party of Georgia considers its duty in these very difficult days for Georgia to be to speak the truth to the people. Its slogan has always been and remains "Only Georgians will save Georgia."

The National Radical Party begins from the Gospel truth: save yourself and thousands around you will save themselves.

I. The Political Part

As a Georgian organization the National-Radical Party believes that a political crisis and moral indifference are present in Georgia. The main cause of this is that one part of society is trying to suppress the other. For us, the National-Radical party, this way of life and this behavior in politics is absolutely unacceptable. Georgia has become a country of persecutors and persecuted. The goal of the National-Radical Party is to see that both the persecutors and the persecuted pursue a common cause, the cause of Georgia. First we must reach agreement and then reconcile. To reach agreement, we must tell the truth and all sides must acknowledge their mistakes, and to reconcile we must forgive one another for the mistakes made.

The National Radical Party, considering itself a national organization, is formulating a concept for emerging from the political crisis—a model for creating a Georgian State which is acceptable to all Georgians.

A) The Georgian State and the Citizen of Georgia. The Georgian State protects the interests of the Georgian people, promotes their conscious existence, and molds the type of citizen of Georgia who incorporates the genes

psychology, historically inherited national temperament, and boundless love for the Georgian language, motherland, customs, and traditions.

Being a citizen of the Georgian State means being a Georgian and serving Georgia.

B) The Citizen of Georgia and the Georgian State. The citizen of Georgia is obligated to observe the purity of the Georgian language and respect the sources of the history of Georgia and the Georgian people, the nation's customs and traditions, religious beliefs, and the territorial inviolability of the Georgian State. He must serve the Georgian cause in accordance with his intellectual and physical potential as a physical subject.

C) The System of the Georgian State. The indoctrination of a real citizen and the introduction of the institution of service to the state are possible only for an organized, economically strong, and morally refined state.

The National-Radical Party will fight to preserve national uniqueness and will fight against the introduction of moral-ethical criteria which are alien to Georgia. It will try to restore the worldview and attitude toward the outside world which are traditional for Georgians.

D) The Borders of the Georgian State. Today there are attempts being made to infringe on the territorial integrity of Georgia. The state does not control Samachablo, South Georgia, or Abkhazia.

The National-Radical Party believes that Georgia must be a unitary state without any autonomous units where the cultural-domestic conditions and rights of ethnic minorities will be guaranteed.

The National-Radical Party will raise the question of recovering historical Georgian territories. We understand very well that this is a fairly complex and painful question, but we must do the right thing for our progeny and create the legal and political foundations for the restoration of historical justice for them.

E) Relations of the Georgian State with the Outside World. The goal of the National-Radical Party is to turn Georgia into a completely independent, neutral state. It should be the cornerstone of Caucasian unity. The National-Radical Party believes it is wise for Georgia to join different political and military blocs and alliances. The National-Radical Party is against the processes of integration occurring in the world, since it sees both political, and economic and moral ecumenism in them.

F) The Armed Forces of the Georgian State. As a neutral country the Georgian State needs a unified, strong professional army. All Georgian men must enter the military draft and be reservists in the Georgian army.

Representatives of all nationalities living in Georgia have the right to serve in the professional army.

A military-defense doctrine must be developed in which the geographic position and topography of Georgia and the traditional military qualities of Georgians should be taken into account.

The traditional Laz [ethnic group] naval art must be revived and military-type settlements must be set up all along Georgia's border.

G) The State and Religion. Georgia has always been an Orthodox country. For the Georgian the Orthodox Church is not only an object of faith but a custom and life experience. Any Georgian institution (the state, the family, family ties, friendship, youth brotherhood) is based on the principles of Orthodoxy.

The Georgian State must help the Orthodox Church of Georgia in its activity and provide all kinds of assistance in education and construction.

The lands of South and Southeast Georgia must be transferred to the permanent ownership of the Georgian Church.

The land use interests of the Church in different regions of Georgia must be satisfied.

Obstacles must not be placed in the way of the religious activity of representatives of any other religions.

H) The Emblem, Flag, and Hymn of the Georgian State. The emblem, flag, and hymn of the Georgian State must correspond to the traditional Georgian worldview, Orthodox canon, and our centuries of experience.

II. The Economic Part

- Only a citizen of Georgia can be the owner of national property in the Georgian State, and he must use it himself;
- The National-Radical Party opposes uncontrolled investment;
- The Georgian State must adopt a course to concentrate national wealth. Doubtful monetary investments from the outside world should be prevented until the full picture is obtained. But the real picture must be shaped with the direct participation of the citizens of Georgia;
- Any assistance from the outside world must be used to solve concrete, urgent problems, and parliament must decide the direction of the assistance obtained;
- When national property is used, the Georgian State must exclude any distribution of production forces and siting of sectors of the economy which turns Georgia into a base for any raw materials (wine grapes, tea leaves, unprocessed minerals) or a cheap market for work force and foreign goods;
- The National-Radical Party takes the following concept as the slogan of the economic model of the Georgian State: we do not exchange an asset for an asset, but labor spent for labor spent;
- Through flexible economic levers the Georgian State must protect the interests of Georgian entrepreneurs and promote the complete uncovering of their intellectual potential;
- The National-Radical party believes that introducing national banknotes has the same significance for the Georgian as possessing land and working it and protecting the territorial integrity and inviolability of Georgia

Based on this the duty of entrepreneurs in the Georgian State is to act and do everything possible to strengthen the exchange rate of Georgian money:

- The National Bank of the Georgian State must use the national banknote to serve only the truly national cause;
- A crime of any citizen which causes the exchange rate of the national currency to fall or economic destabilization will be considered one of the most serious crimes against the state;
- The Georgian peasant should be the savior of the Georgian economy. The state must create special priority conditions for the Georgian countryside. In comparison with the city the countryside must enjoy all kinds of privileges (a preferential tax system, priority mechanisms of social protection, principles of free disposal of output obtained with their labor);
- The National-Radical Party believes that the state must promote the development of the nationally fundamental sectors of science in Georgia, which will be one of the major factors of economic development;
- The National-Radical Party believes that the state must seek the levers to ensure the moral indoctrination of citizens of Georgia, to affirm spiritual purity in future generations, to present the unique Georgian culture throughout the world, and to form the new type of Georgian citizen in the experience of previous centuries;
- The National-Radical Party believes that agricultural land should be transferred to all able-bodied citizens of the Georgian State in accordance with the norms established by law. The transfer of land into ownership must be implemented through a nation-wide referendum.

'Charter-91'

92US0172D *Thilist SVOBODNAYA GRUZIYA*
in Russian 30 Sep 92 p 3

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Preelection Platform of 'Charter-91'"]

[Text] In connection with the fact that restrictions have been placed on the scope of the preelection platforms which make it impossible to present a detailed political and economic program, we are forced to limit ourselves to publishing only the most general principles.

In recent years the efforts of the Georgian people and a large part of Georgia's population have been focused on creating two major prerequisites for creating a free and strong state. On the one hand, we had to rid ourselves of the direct influence of Russia, restore independent statehood, and employ mechanisms of international law for the country's good, while on the other hand, we had to destroy the foundations of the flawed social system which had existed here in order to begin to introduce a progressive method of production and establish social relations characteristic of the civilized world.

At the price of the greatest selflessness and sacrifice of our people, which always accompany such revolutionary processes, Georgia has become a subject of international law and a member of the United Nations Organization and other international associations. But the most important thing—whether or not Georgia can follow the independent

state policy dictated by its own state and national interests—remains unclear until Russian-Georgian relations are finally normalized. Becoming especially important from this standpoint is the search for a correct foreign policy balance where such factors as global integration and disintegration processes, the political situation which has taken shape in Russia, the new trends in Turkic-speaking Asia, the activation of Islamic fundamentalism, conflicts in the Caucasus, and others must be taken into account. We think that a correct analysis of these most complex processes and the establishment of a balance beneficial to us will be impossible if we do not abandon at least the stereotypes of political thinking from the very recent past. The old stereotypical thinking may prevent, for example, the fair resolution of the problems of Abkhazia and Shid Kartlia, if they are not examined in the unified context of the normalization of Russian-Georgian relations.

As for the destruction of the old and the construction of a new social system, only the first, indecisive step has been taken in this direction. The political force whose privileged position and very existence were the result of the flawed nature of the old system declared an unpromising yet terrible war against time and history. The old nomenklatura mafia has to be conquered as a political force, especially since responsibility for the tragic events which have occurred in Georgia to a significant degree lay on it. We understand that the main demand of the people now is the establishment of order and stability, but this must not be achieved by restoration of the old or termination of the process of reform. Real order does not mean immobility and withering away, but the stability of positive developmental trends.

In this way, two fundamental directions of our actions in the near future have appeared:

1. The definitive settlement of Russian-Georgian relations and the search for a correct foreign policy balance taking into account Georgia's state and national interests
2. The creation of the necessary conditions to affirm the new social relations through victory over constraining forces and restoration-minded tendencies

Performing this complex task is possible only by the joint efforts of people accustomed to work. Our fundamental support and object of the state's concern must be the citizen building a free state who has reinforced his own personal freedom by creating spiritual or material values. We must attempt in every way to ensure that every citizen, regardless of his national affiliation and political convictions, is gradually imbued with the idea of state construction. It is precisely this which is the most important guarantee of real consolidation, universal civil peace, and preservation of the integrity of all-Georgian national consciousness. That is precisely how a society of the future open to everything positive and new and organically included in international life but at the same time deeply grounded in the foundations of its national uniqueness is formed.

In connection with the fact that the construction of a civil society involving the formation of a stratum of private owners and free entrepreneurs was delayed, today the republic's economy is approaching the line beyond which we no longer have economic crisis, but rather catastrophe.

The sharp fall in the volume of production, the intensive growth in prices under extreme monopolization, the failure of the credit-finance system, and the enormous balance of payments deficit are characteristic signs of Georgia's economy in the present stage. The system of production relations and the structure and mechanism of management of the economy have been deformed. There is no integral and well thought-out program for normalizing the economy nor a system of measures to stimulate it. The state organs of economic management have become a hindrance to the economy's development. Added to the incompetence of the leadership cadres is their greed and moral degradation.

Social and legal protection of the population is lacking (the property differentiation is becoming greater against the background of the general drop in the standard of living). Because of the legal vacuum and sociopolitical psychosis, forms of violent redistribution of wealth and open theft have become common. Capital and material property are leaving the republic unchecked. A real threat of a drain of intellectual potential has in fact been created.

The tendencies of political and economic development of Georgia which have taken shape induce us to think that delay in stabilization and reformation of the economy will, on its part, deepen the changes in the economy and make it extremely difficult to get out of the crisis situation.

The goal of our economic program is to create an effective market economy in the shortest possible time; that should ensure an end to the crisis, development of the economy, and a higher standard of living for the population. These principles must be developed in the following fundamental directions:

1. Formation of institutions of a market economy.
 - 1.1. Development of new economic laws with the participation of experts of international organs
 - 1.2. Formulation of a detailed program of economic reforms and aid in implementing this program.
 - 1.3. Implementation of small privatization and development of the economy. Creation of the institutional prerequisites for economic growth and an effective market economy.
 - 1.4. Preparations for the introduction of a national currency and establishment of a uniform exchange rate for it
 - 1.5. Removal of administrative restrictions on economic and foreign economic ties
2. Macroeconomic stabilization and formation of market relations
 - 2.1. Stabilization of finances and the credit-monetary system
 - balancing of the state budget through a sharp reduction in supplementary payments, subsidies, and subventions and by means of increased income through foreign aid and stimulation of business activity;
 - creation of a budget system;
 - refinement of tax policy and liberalization with consideration of the introduction of a preferential

mechanism for investments and priority directions, which should ensure both a balanced budget and the halting of inflation, and the revival of business activity and aid to production; introduction of targeted payments.

The implementation of a flexible credit policy and the development of interbank allocation of credits. The introduction of a new system of allocation of credits and accounts. Transformation of state commercial banks into joint stock commercial banks. Independence of the National Bank and its reorganization based on the federal reserve system model.

- 2.2. Structural reorganization of the economy and the establishment and implementation of sectorial priorities.
- 2.3. Fundamental restructuring of the agrarian system on the basis of introducing private ownership of land and other means of production and attracting foreign investments.
- 2.4. Implementation of an antimonopoly policy and demonopolization and decentralization of economic activity, and the formation of a competitive environment.
- 2.5. Creation of the economic foundations of social protection of the population. Compensation payments for higher prices and guaranteed protection for poor strata of the population through targeted aid. Regulation of monetary incomes of the population.
3. Strengthening of stabilization. Realization of structural policy.
 - 3.1. Preparation for and the start of privatization of major enterprises.
 - 3.2. Intensification of land reform.
 - 3.3. Improvement of technology and fixed capital with participation of the foreign private sector.
4. Intensification of structural reorganization of the economy.
 - 4.1. Active privatization of major enterprises.
 - 4.2. Expansion of the sphere of production of consumer goods and services.
 - 4.3. Intensification of the process of privatization of the housing fund.
 - 4.4. Creation of a labor market.
 - 4.5. Expansion of private foreign investments.

Party of Physical Laborers (Workers and Peasants)

RUSSO172E, *Italist SVOBODNAYA GRUZIYA*
in Russian, 30 Sep 92 p 3

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Program of the Political Party of Physical Laborers (Workers and Peasants) of Georgia 'Tskhovrebi imedi'"]

[Text] The Political Party of Physical Laborers in the city and the countryside of Georgia will fight against and will not be reconciled with any type of injustice or phenomena directed against the will of the people. The party rests on the will of the people and ensures the equality and well-being of people in all spheres of life. Shortcomings in resolving these issues caused our party to appear under multiparty conditions. However, its appearance is also the result of the political situation in Georgia and the principles of democracy.

Part 1

The Party of Physical Laborers (Workers and Peasants) considers the independence of Georgia and the restoration of its statehood to be its primary concern. Our party will boldly tell people in the city and in the countryside and explain to them what kind of formation will restore prestige and achieve material and economic well-being. It will devote special attention to the steady rise and development of all sectors of the economy and to their management on a scientific level.

A human link is needed between the city and the countryside. Our children, grandchildren, sisters, and brothers live in both places. In the future we ought not to make the price of any output inaccessible. Both the city and the countryside must reach the conclusion that we can exist only on the basis of mutual ties and mutual understanding. It is precisely this which our party serves, as does the intelligentsia created by us. Conscience and the price of bread must be the levers of all values. Our duty is not to cause their price and quality to drop, but to make sure that all mandatory and necessary products are in keeping with these two real values.

Part 2. The Well-Being of the People in Terms of the Nationalities Question

The party believes that the equality and brotherhood of all nationalities in all spheres and the settlement of social questions in the city and the countryside will be realized on the basis of a just people's Constitution. The foundation of this is the primacy of the collective system over the individual system.

Our party promises the people to bring the country out of the crisis, relying on science and progressive experience, and to raise the level of culture and living and domestic conditions.

Work in the new way and the general well-being of the people, which means concern for the well-being of representatives of all nations and nationalities living on the republic's territory, rules out national conflicts and confrontation, which, in our opinion, also account for a significant share of our very low living standard.

Part 3. The Political Party of Physical Laborers and Youth

The party considers youth, as its hope for the future, an object of urgent and constant concern. The party considers itself obligated to indoctrinate youth in a patriotic spirit and imbue them with love for labor, ethnic and religious tolerance, humanism, and a desire for conscientious labor. We must make sure that they correctly understand the ways

for the good of the people and consider any idleness and negative phenomena bad, since freedom must be achieved by labor. And youth should have their say in this, by their labor, knowledge, and ethical behavior.

Part 4. The Party in the Area of Education and the Spiritual and Medical Spheres

The Party of Physical Laborers has its own views on education, which means increasing sophistication and putting the achievements of science at the service of the people. Elementary education must be started at 7 years of age and end with 10th grade. During their studies young people receive a broad political-economic education. As for the problems of higher education, the party rigorously demands that all graduating pupils who have received good grades be admitted to VU'Zes without any speculation or trade, which predominate in present-day VU'Zes. They must be admitted based on grades: A students to regular classes, B students to evening classes, and C students to correspondence schools. In the event of a shortage of students classes are filled by moving students up from lower levels.

Education does not rule out physical labor. The party is setting up the children's newspaper NORCHI MEGOBARI.

In the sphere of medicine the party should provide treatment not for money, paid treatment, but in various medical institutions by caring, humanely indoctrinated medical personnel.

However, we must ensure an expanded network of health care institutions in the countryside and everywhere, especially children's health care institutions, as well as an expanded network of state kindergartens. The elderly and disabled who have experienced great hardships during the period of struggle and labor demand special concern. Special rooms should be organized in hospitals for single disabled persons and pensioners, and these rooms must be accessible to them and comfortable, and food and care must be provided for them. Free medical services are envisioned for war veterans.

In the spiritual sphere church facilities must be preserved for the elderly.

Part 5. Protection of Citizens' Rights and Guarantee of Their Safety and Support of Law Enforcement Organs in the Sphere of Legality

The party will ensure protection of the rights of citizens of Georgia on the basis of the demands of the state Constitution formulated by it—the conferment of the status of citizen, the equality of citizens of all levels, and the introduction of a 5-hour work day to eliminate unemployment completely.

Employees of internal affairs organs which keep order and are fully outfitted by legislation will protect security. They will have a direct link with law enforcement organs. The party provides uninterrupted monitoring of their activity and work to select cadres to ensure that they do not become isolated from the people, as has been happening in recent years. Undoubtedly citizens must have constant

contact and support their organs. But the heads of these organs, according to the rules, must report back to the party.

Part 6. The Well-Being of the People

The party considers fully supplying people with housing and meeting their family needs to be a mandatory direction of its activity; this will ensure the strength and well-being of the family both in the city and in the countryside.

Providing people with vacations, sick days, and vacation passes, which will be ensured by a high level of social labor resulting from correct organization and full social support—such an approach to the matter unites and links the nation, repels dissension among people, and creates new heroes of labor. The party considers conducting convincing agitation and showing what a negative effect private ownership trends have on the people its concern. The party believes it is wise to call kolkhozes in the countryside friendship farms, sovkhozes—rural production facilities, and peasant farms—hermit farms.

Part 7. The Party in the World Arena

The Party of Physical Laborers considers it necessary to develop and expand its activity throughout the world, for everything, including the primary right to vote, belongs to physical laborers, since some feed people, some dress people, and others create equipment. This is indisputable and unquestionable: everything depends on them—material well-being and the power of the state. Culture is developed by their labor and defensive capability is strengthened. The army of physical laborers is the basic force of the state whose Constitution guarantees equality, brotherhood, and peace.

At the same time, the party acts as a standard bearer throughout the world, an initiator in establishing fraternal relations, and a party which settles conflicts.

The Party of Physical Laborers itself is called upon to use intense labor to create the people's well-being and to strengthen peace and equality.

Social-Democratic Party

93US0172F Tbilisi SVOBODNAYA GRUZIYA
in Russian 30 Sep 92 p 3

[Text under the rubric "The Path to Unity, Independence, and Democracy!": "The Preelection Program of the Social-Democratic Party of Georgia"]

[Text] The Social-Democratic Party of Georgia, which Noah Zhordania founded, was the ruling party in independent Georgia in 1918-1921. During the years of the dominion of the communist regime, it operated illegally and actively fought to restore the country's independence. In February 1990 the party renewed its activity on a fundamentally new basis.

The goal of the Social-Democratic Party of Georgia is to secure the state independence of Georgia and establish principles of social democracy in society. The slogan of the

Georgian Social Democrats is: "Each working person must become an owner and each owner must be a working person."

The Social-Democratic Party of Georgia expresses and protects the interests of working people and hired workers. It is a part of international social democracy. Today social democrats head governments in many countries of the world (France, Austria, Spain, Australia, Finland, Holland, Norway, and others). The following are prominent members of the international social-democratic movement: F. Mitterand, the president of France, W. Brandt, the former chancellor of the FRG, F. Vranitsky, the federal chancellor of Austria, G. Brundtland, the prime minister of Norway, O. La Fontaine, the prime minister of Saarland in the FRG, and others.

1. Assessment of the Current Political Moment

It is indisputable that the "Round Table" and its leader Zviad Gamsakhurdia made a definite contribution to awakening national self-consciousness before they came to power and while they headed the government. But, unfortunately, the forces united in the "Round Table" proved to be focused more on destruction than on creation. The rapid collapse of the Soviet empire and the communist regime deprived the "Rounds" of their functions. Their leaders did not know against whom to focus the strong destructive energy which they possessed in abundance. Shady persons who had made their way to power helped ensure that the politically inexperienced and weak-willed president focused this destructive energy against the democratic forces of his own country, namely against the intelligentsia and the opposition. This naturally generated extreme anxiety among broad strata of the public. The president responded to mass protest demonstrations with repressions. Armed confrontation followed the repressions and in December-January this confrontation developed into an armed uprising.

The Georgian Social Democrats are opponents of using weapons in politics, since they believe that it is impossible to establish democracy by the force of weapons. But what happened in Georgia is a special case. Essentially the former president reaped what he had sown.

With the creation of the State Council and the election of Mr. Eduard Shevardnadze as its chairman, the ways to overcome confrontation have taken shape. The Social-Democratic Party of Georgia supports the course of Eduard Shevardnadze, who deserves a great deal of credit in the dismantling of the Soviet communist empire.

However, the Georgian Social Democrats are alarmed at the outbreak of unrestrained activity of the criminal mafias and their attempts to seize the levers of management of the economy and political processes.

The Georgian Social Democrats promise voters that they will engage in a very tough fight against the criminal elements and establish the proper order in the shortest possible time. All illegal military formations will be immediately disbanded. Whoever shows resistance will be punished with the full severity of the law. When the anarchy is overcome, the prerequisites will appear to unwaveringly implement the principles of democracy.

The Social-Democratic Party of Georgia believes that the former president made flagrant political mistakes. But that does not mean that he must be brought to criminal responsibility. We are supporters of the idea that he should return to Georgia and conditions for fruitful scholarly activity should be created for him.

One of the most important conditions for strengthening democracy in our country is settling the problems of international relations. It is impossible to eliminate ethnic conflicts using weapons. Peaceful negotiations and the settlement of conflicts through dialogue are needed. We promise the voters that by unwaveringly observing the principles of an independent Georgia and supporting amicable relations with Russia, we will resolve all the problems which exist in interethnic relations and eliminate existing conflicts without bloodshed.

We believe that with the strategic orientation to Europe, in particular to Germany, relations with Russia should remain the main priority of Georgia's foreign policy.

Georgian-Russian relations must be based on principles of mutual benefit. Our country is included in the sphere of Russia's strategic interests. We must reckon with these interests and they must be satisfied, with consideration of the realities which have taken shape, of course. But at the same time Russia must reckon with and satisfy the national interests of the Georgian people.

It is only in this way that a civilized system of Georgian-Russian relations can be created.

The most painless way to achieve full independence for Georgia is possible through the creation of mutually beneficial structures of interethnic relations on the wreckage of the former Soviet empire.

The "CIS" is a spineless, unpromising formation. It seems wise to replace it by creating an open alliance of former subjects of the empire which will represent an association like the United Nations, with a multinational secretariat headed by a secretary general and working coordinating organs managing different areas. We will do everything we can possibly do to ensure that Georgia is actively included in these processes.

2. We Are Striving To Build a Socially Just and Ecologically Safe Market Economy

A market economy is the only means to achieve Georgia's real sovereignty and its emergence from a most grave economic crisis.

The development of free enterprise at this stage conforms to the interests of most members of society. The call of the Georgian Social Democrats is to protect businessmen and working people from mutual egoism and to achieve harmonization of their interests.

Today the entrepreneur himself is interested in the development of entrepreneurship—he expands his business, receives profits, and realizes his capabilities. The worker is especially interested in the development of entrepreneurship, since only under free enterprise can he receive high pay which corresponds to his skills, expenditures of labor, and so on.

Today doctors, teachers, scientists, and figures of art are interested in the development of entrepreneurship, since they can obtain real help from the entrepreneurial sector.

Today the state is interested in the development of entrepreneurship, since the wealth and resources will be at its disposal, which will allow it to help the nonproduction sphere, socially unprotected strata of society, the armed forces, and the law enforcement organs.

Some management workers equate a market economy with a rise in prices. This is a wrong idea. Free prices in conditions where free enterprise has not yet been launched lead to unbridled speculation and amoral business. As a result some people who at one time put together a fortune in an illegal way get rich by stealing from working people. The Georgian Social Democrats promise voters that they will put price policy in order and bring it into line with the process of equivalent growth in labor payment and development of market structures. **We will not allow socially unfair business and we will not allow commerce which ruins decent people.**

Raising prices outside privatization is nothing but an attempt to patch up the budget by robbing the people. This must be condemned. However, privatization is not a panacea and underestimating its social orientation is unacceptable.

The Social-Democratic Party of Georgia believes that the goal of privatization is to transfer ownership to the people rather than to mafia elements. Right-wing parties (the National-Democratic, Christian-Democratic, Liberal-Democratic, Republican, and other parties) are for all-encompassing privatization and are making privatization a fetish, and instead of powerful mechanisms to protect the interests of working people suggest creating mechanisms of social charity. **We are striving toward a mixed society where each person will have the opportunity to become an owner.**

For the Georgian Social Democrats the position of the right-wing parties is unacceptable, since they propose models which have not proven themselves in the West and have surrendered to the universal welfare society based on joint stock ownership. Therefore we suggest that **the factories and plants under state ownership must be transferred to the corresponding collectives in joint stock or group ownership; as for the private individual sector, it must be created on the basis of new private production facilities organized using the capital of private persons.**

The transition to a market economy demands not only the creation of efficient institutions of social protection, but also the creation of a powerful economic infrastructure. Ecological prevention is more profitable than ecological restoration.

The Social-Democratic Party of Georgia does not promise a paradise for anyone. It merely advocates the idea that all people be given equal opportunities to provide themselves and their families with material and spiritual goods. We express the hope that the Georgian nation and all the population of our country will make the right choice.

Preelection Platforms Published

Democratic Party

93US01754 Tbilisi SVOBODNAYA GRUZIYA
in Russian 2 Oct 92 p.5

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Preelection Platform of the Democratic Party"]

[Text] Protection of human rights is the foundation of the preelection platform of the Democratic Party.

With its activity the Democratic Party devotes itself to introducing the ideals of democracy and affirming the real guarantees of the realization of human and civil rights in our country and states that dividing citizens of a single country into the basic population and ethnic minorities is deliberately putting them against one another and discrimination by national origin. Based on the interests of democracy and the national interests of the state, the Democratic Party will assist and help all people living in Georgia, regardless of their origin, to join in Georgian culture, to take full advantage of all the achievements of Georgian civilization, and to take an active part in the national development of the homeland, Georgia, and the refinement and enrichment of its culture.

If we win in parliamentary elections on 11 October, the Democratic Party will bring the country out of crisis, restore peace and consensus, and establish legality on the republic's entire territory. The Democratic Party believes that the only way to establish a constitutional order in the country is to adopt a new constitution, and the solution of this question is the primary and fundamental work of the future parliament.

The new constitution will make the historically formed traditional kray regional system the foundation of the country's territorial order. The Democratic Party has also formulated mechanisms for interrelations between central institutions and territorial subjects which rather than creating a threat to Georgia's territorial integrity will work to strengthen it.

The parliament of Georgia will exercise legislative power in the republic. One of its chambers, the Darbazi, will be elected for a 6-year term by the territorial subjects, the other, the Chamber of Deputies, for a 2-year term by election districts created on Georgia's territory.

The president of Georgia elected by the population for a 4-year term will exercise executive power. The vice president will be elected along with him.

State power in the territorial subjects will be organized on the principle of distribution of power. In local areas principles of self-government will be used to set up municipal systems of government and to restore traditional forms of local government.

The Democratic Party considers it mandatory that the parliament hand over the adopted constitution for ratification by the territorial subjects. After the constitution is ratified, the parliament will set elections of state organs.

established by the constitution, ensure that they are conducted objectively, and transfer state power to the elected state structures, the parliament and the president of Georgia.

The principles of a democratic economy must be made the foundation of Georgia's economic order; they include mutually acceptable, harmonious unity of the interests of production and consumption, and guaranteed social equilibrium. That means recognition of the equality of the social and vital interests of each member of society, maintenance of equality in physical and spiritual development, labor, recreation, and the ownership and disposal of property, satisfaction of the interests of all participants in production, and constant development of production forces.

The state must assume responsibility for ensuring each member of society the minimum material standard, and that will be determined by the total value of maximum prices for goods needed for a person to live and develop.

The process of the coming privatization should become the cornerstone of the performance of these tasks. As a result of land reform, the rural population will have already received a certain amount of land free of charge. This fact has caused a significant disproportion between the income of the populations of the city and the countryside, and the urban population has proved to be socially unprotected and economically oppressed. Immediate elimination of this should be the foundation of the process of privatization of the republic's industrial, domestic service, and trade facilities. They include the following:

1. Twenty-five percent of the value of objects of industry, trade, and domestic services should be transferred in the form of stock to residents of the cities of Georgia free of charge, differentially, and in mixed form; this constitutes a significant sum for each of them at the present rate.
2. Another 25 percent of industry subject to privatization should be transferred in the form of inexpensive shares of stock. Working persons in those enterprises and organizations as well as the residents of the republic's cities and other populated points should be given priority in buying stock; and those people will have the right to sell the stock at auctions or exchanges. We consider it wise to sell this stock outside the republic for precious metals or hard currency, which will create an opportunity to attract financial resources to the republic.
3. The rest of the privatized property will be sold at auctions or on a competitive basis with consideration of the interests of the labor collectives and compliance with their social guarantees.

The Democratic Party will implement an economic policy which will transform today's unmanageable economy into a regulated democratic economy characteristic of civilized countries.

The Democratic Party will help restore Georgia's farming with the primary development of production of certain grain crops and animal husbandry.

The Democratic Party considers restoring and developing traditional Georgian maritime navigation one of the mandatory conditions for the well-being of the present and future generations of Georgia.

The system of education should be completely changed in order to develop science and culture. The national-state general education concept of the Democratic Party envisions assimilating the humanitarian and cognitive achievements of the nation and its cultural and religious values. It is based on the doctrine of the nation's great sons, the national-ethical model, and reinforced by the moral-worldview teaching of the Georgian classics. At the same time the achievements of world civilization in science and culture will be assimilated. We will make sure that a person who has received an education in Georgia will be considered educated in another country as well.

The Democratic Party has formulated its own ecological concept and an integrated program for protecting and cleaning up the environment around us. Protection of the environment must be elevated to the constitutional level. A powerful ecology department with its own police and inspectorate must be created; only after a mandatory expert study has been done and the appropriate conditions have been observed will this department give permission for a particular enterprise to be constructed. The ecology department must establish the responsibility of a citizen of Georgia in relation to the environment and its resources. Our principle is not a single new shop, enterprise, or plant without virtually absolute protection of people, the water, air, and soil, and Georgian culture.

The future generation of Georgia must be indoctrinated in ecology; to do this ecology must be introduced in the elementary school curriculums as a separate, compulsory humanitarian discipline.

The Democratic Party will help create strong national armed forces. The new parliament must certainly define the status of the armed forces of foreign states which are in Georgia and the precise schedule for the withdrawal of Russian troops from the republic's territory.

In relations with other countries, the Democratic Party will be guided by the principles of good neighbor relations and good will which stem from a policy of active neutrality.

The Democratic Party announces that it will help create a multiparty system in Georgia and cooperate in parliament with all those parties which agree with the principles stated in this platform.

Ilia Chavchavadze Society

93US0175B Tbilisi SVOBODNAYA GRUZIYA
in Russian 2 Oct 92 p 5

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Economic Platform of the Ilia Chavchavadze Society"]

[Text] "... Our country is richer and fuller than many other countries. And, thank God, we can accomplish a great deal. We have strong arms and we have our fair share of health, strength, and the joy of living. We have all this. This rich

country, which is like a bride, this healthy, strong, hard-working people—how then can we be poor? you ask.

"Because we do not know what wealth we have and where it is, what and where the treasure is. We do not know where to obtain it and in what way, what kind of skill we need so that labor is not a burden but its fruits are in abundance." Ilia Chavchavadze

1. General Goals and Tasks

Informed by experience accumulated by humankind in the sphere of economic relations and taking into account the difficulties of the transition period, the Ilia Chavchavadze Society believes that a system of social relations of universal welfare should be established in Georgia. Based on that, it considers management based on free forms the main principle of the country's development and gives preference to the private economy and business. A market economy should be developed where the country's citizens, private entrepreneurs, rather than the state carries on economic activity. The focus is being changed to responsible, enterprising citizens' own behavior. In this way, the principle that each citizen himself makes a decision and bears responsibility for the results of this decision is realized in society.

2. The Ilia Chavchavadze Society will fight against the state monopoly system and the bureaucratic elite who protect it. The state creates only the conditions and laws for economic activity—it must promote private initiative and economic upsurge, and that will ensure stable and accessible prices. In Georgia's reality agrarian policy represents a component part of economic and social policy.

3. In implementing the economic platform, all types of socialism, the principle of artificial leveling of the constituent strata of society, are alien to the Ilia Chavchavadze Society. Its main strategic goal is to implement an economic policy, which in the process of development creates a strong, middle stratum, and that will become the social guarantee of the economic stabilization of the lower stratum.

4. In order to quickly and relatively painlessly overcome the difficult transitional stage, the Ilia Chavchavadze Society deems it necessary to follow a course of economic and political stabilization which must be implemented parallel with the process of broad development of private ownership. The latter must also become the main support of reform. The psychological preparation of the people will serve the process of stabilization.

5. It is difficult to conceive of universal stabilization without economic stabilization. Western aid, and so-called moderating social measures. At the same time the main task, the main package, of stabilization measures must necessarily be realized, that will help ease inflation and the serious deficit problem. It will contain the following: a balanced budget, cancellation of supplemental payments in the nonstate sector, a protective mechanism for the emission of money, a flexible credit policy, regulation of income and labor payment, the implementation of convertibility of the monetary unit, and liberalization of imports and exports and prices. The Ilia Chavchavadze

Society believes that these elements will be ready within 7 or 8 months and will be rapidly realized, in just a few weeks.

2. The Elimination of Stereotypes and the Psychological Preparation of Society

1. The very recent historical past led to the decline of economic thought and destroyed private initiative in Georgia, which can be revived only through the rapid practical implementation of democratic reforms. Only in this way can a healthy economic-psychological atmosphere be created. At the same time guarantees for protecting property should be developed and protective mechanisms against clan and mafia phenomena on both state and private commercial bases should be formulated. This will help normalize the psychological milieu.

2. People should be convinced that business is necessary and that buying and selling is not speculation but a normal phenomenon and a part of the market, and that eliminating the deficit is possible only with free trade. As for the market, everyone must understand that the market is not a place where the idea of achieving equality will work. Under a market economy some will achieve great success and others—less. It is impossible to have a market where everything is equally distributed among everybody. New ethical norms should be affirmed and natural principles and thinking should be revived.

3. The Fundamental Directions of Regulating the Economy and Finances

1. The Ilia Chavchavadze Society believes that the private sector must certainly dominate in Georgia. However, the state sector of the economy will remain at the same time. In this way, all objects of the state sector except those which determine the characteristics of the state's existence should be subject to privatization. The appearance of the private sector, or the process of privatization, will include those elements which should be rapidly realized, in one blow. Privatization of a large part of them should be carried out in the first stage, within 1 or 2 months, and the rest—over the course of 6-12 months.

2. The present actual value of that part of the fixed and working capital of privatized objects of the entire country which was created using state capital investments must certainly be determined. Georgian national money should be introduced at the time of privatization to stabilize and further develop the economy.

3. In order to determine the initial amount of national money, the new value of the charter capital of privatized objects, the amount of working capital, the contributions of the population, and the predicted size of the savings which they have should be added to the actual amount of the state budget. When the basic reforms are complete, we consider the tasks of using credit resources correctly, connecting them with foreign investments, and increasing economic potential to be most important for the convertibility of Georgian money.

4. The state's banking-credit policy should be very flexible, provide short-term credits, and pay for itself. It must help accelerate turnover, and that will help eliminate emissions and in the future preserve the balance of production and

consumption. It is precisely with this goal in mind that along with the state banking system an entire system of private banks is being set up. Many of us have the wrong impression of banks and the banking system. It is altogether accepted, and Ilia Chavchavadze affirms this too, that the poor need banks no less than the rich. Young people who are starting a business, newlyweds, and low income citizens should use banking services extensively, since they are the ones who are supposed to augment the country's wealth.

5. A bank attracts free capital of private persons, producers, corporate associations, and the like by paying them interest on deposits; the direct use of any free capital for credit should not be restricted. The state and private banking-credit systems operate on the basis of competition and should enjoy equal rights in credit relations.

6. To ensure economic stabilization while taking into account the country's interests, it is necessary to attract and broaden foreign investments, and they must be assisted in every way. From this standpoint the geopolitical position, resources, and natural conditions of Georgia become very important. A great deal of attention should be devoted to enlisting them in mining or processing activity. The sea and air gates of our country, which is the bridge of Eurasia, must be used in a business-like manner. A powerful branching system of transit shipping will be created in Georgia, and that will become an important source of income for the country.

7. An important element for implementing the economic policy of the Ilia Chavchavadze Society is liberalizing prices and wages, improving the quality of output, and raising labor payment to the international level; this must be achieved by increasing the technology and sophistication of labor and liberalizing management and organization. Free forms of employment (founders, owners, share participants, stockholders, contract workers, and so on) should be developed. The volume of labor and the amount of wages are not determined from above; they are freely determined. In the state sector the state and in the private sector the entrepreneur within the limits of the contract must provide minimally indexed amounts of labor payment. Generally the Society believes that the new system must not be more merciless than the old. It must be concerned with the well-being of the people.

8. The Society devotes a great deal of attention to state tax policy, which must be realized in several stages—the duration of each stage will depend on the emergence of a market economy and its further development and consolidation. The tax system will rely on regularly determined indicators of the entire sphere of economic activity, which will limit the range of arbitrary action of the bureaucracy, protect the producer's interests, and strengthen the country's economic might.

4. Guarantees of Social Protection of the Population

1. The Ilia Chavchavadze Society considers social protection of elderly people, the disabled, families with many children, the unemployed, and the poor as an inseparable part of the stabilization program and attaches prominent importance to it in the complex transitional stage. It must be based on a correct, interdependent realization of the

political and economic goals of the entire population, which will be based on steady growth in the income of the middle stratum.

2. Social guarantees are shaped in accordance with the forms of employment and ownership and determination of the proportion of each and rely on the creation of these funds in each sector. They must become a part of the labor payment and income of each person, and in accordance with this the mechanism for social protection of the low income part of the population will be formed and the material base in all forms of ownership will be set up.

3. Corresponding to the accumulation of national wealth, the private initiative of charity, the rendering of aid, and mutual rebirth will become widespread. All these measures must be focused directly and not rely on any mediation and centralization. We consider the middle stratum, which has a large proportion, as social guarantees for protection of the poor. At the same time a special mechanism for regulating and hiring the unemployed in business should be created. This mechanism must become an effective direction of the growth in economic potential.

Greens' Party of Georgia

93US0175C Tbilisi SVOBODNAYA GRUZIYA
in Russian 2 Oct 92 pp 5-6

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Preelection Platform of the Greens of Georgia"]

[Text] We, the Greens of Georgia, have united in order to create a society where each citizen will be ensured a healthy, clean, and safe environment; where the resources intended to last for centuries will not be depleted after 2 decades; where social justice will be affirmed and it is not the citizen who will exist for the state, but the state for the citizen; where each person will have opportunities to manifest his potential completely; and where each citizen will be truly equal before the law.

Our goal is to create a stable, humane, and just civil society.

This goal is not restricted to any two terms of office, to a period of a few years. But today from our long-term tasks we will single out those basic issues without whose solution the future construction of the Georgian State cannot be imagined.

The present acute problems stem from the fact that state structures virtually do not exist in our country. Universal lawlessness and arbitrary rule predominate in our country, corruption is rampant, and violence has become a way of life. The elementary principles of justice are not being realized. We can rectify the situation only by taking decisive steps in all spheres of state life.

The Greens of Georgia consider the main goal of their parliamentary activity to be preventing the destruction of the environment of our existence during the period of reform, helping affirm free market relations while observing the principles of social justice to the utmost, and fighting against violence and lawlessness and the corruption and arbitrary rule of the bureaucratic apparatus. The cornerstone

of our parliamentary policy will be the formation of legal state structures in Georgia which will be based on the following principles:

In the Area of the State Order and Reorganization of Governing Organs

1. On real separation of legislative, executive, and judicial powers. In order to achieve this, it is important to employ the principles stated in the 1921 Constitution of Georgia.

Steady attention should be devoted to establishing the court as an independent power, and not only citizens but also organs of government and their leaders must obey those decisions.

Existing governmental structures and the operational loads of the cabinet as a whole and of individual ministries must be fundamentally transformed.

2. On decentralization of state power. The limits of the competence of the national power and local powers of different levels must be restricted by legislation. The government invading the boundaries of the competence of the local organs of government ought to be ruled out. Changing the distribution of functions is permissible only by introducing legislative corrections.

3. On a consistent struggle against corruption and the openness of state life. It is necessary to adopt the package of anticorruption laws which define the strict responsibility of each official for using the powers given him to satisfy personal interests and to strictly regulate relations of representatives of power with representatives of business circles, above all representatives of foreign states. A special parliamentary commission must be formed to constantly monitor the execution of this legislation. In the system of legal organs a special service must be set up to fight corruption, including within these organs themselves.

Decisions have to be made in the most open atmosphere possible, guaranteeing each citizen the right to freely obtain information on the decisions and activity of officials as well as that of the state as a whole. Real rather than just formal independence of the mass information media from the state power must be ensured.

In the Area of Protection of the Environment and Natural Resources and Ecological Safety of the Population

1. The legislative package of the Greens is called upon to protect Georgia from becoming a raw material appendage of the developed countries, a place for exporting all kinds of wastes, and the like.

The legislative package prohibits inefficient, barbarous exploitation of natural resources (the earth's interior, forests, plant resources, and others) and their export from Georgia as raw materials.

It prohibits the import of any type of waste to the country's territory and the transit of radioactive and highly toxic substances across Georgia.

Along with administrative-prohibitive measures to protect the environment, it will maximally affirm mechanisms of economic regulation, above all through introducing an ecology tax.

It will bring the ecological standards and norms adopted in Georgia, above all the permissible limits for pollution indicators, into line with Europe-wide requirements.

It will make conducting a comprehensive economic and ecological expert study mandatory for any type of economic project.

2. It envisions the reform of the state nature protection services. The ministry, which is without rights in terms of protecting the environment, must be converted into a committee for protecting the environment and ecological safety which is granted emergency powers and is subordinate only to the republic parliament. The corresponding services on the municipal level should as a whole be transformed too by creating regional structures of the central service office in the appropriate scientific centers.

In the Area of Economic Reform, the Economy, and Social Policy

1. Implementation of radical economic reform—transition to free market relations and a sharp reduction in budget expenditures not only through a cutback in social and cultural programs but by destatization of production and removal of the corresponding subsidies, abolition of financing for the bureaucratic apparatus, and closing down of illegal projects.

The constant state monitoring of the realization of anti-monopoly measures must ensure conditions for free competition.

The following should be stimulated at a rapid rate:

Introduction of national currency. Constant money supply to the population and entrepreneurs. The adoption of a state program for free convertibility of the national currency.

Strict legislative compliance with the freedom of entrepreneurs and foreign investments, above all from the arbitrary actions of the bureaucratic apparatus.

Clear-cut reform of the banking system and taxation called upon to create favorable conditions for the development of free enterprise and transit and production of output oriented to export.

2. Privatization of state property conducted on a system of vouchers which must provide each citizen of Georgia with his share of privatized state property. An extraordinary parliamentary commission must carry on the struggle against secret privatization and plundering of state property.

Implementation during the process of economic reform of social protection and measures of social justice. At first such necessities as bread, milk, children's food, and certain types of medicines should continue to be distributed on the basis of official lists. The distribution of these types of goods at free prices must also be regulated.

The minimum wage and minimum level of social benefits must be established on the basis of the real value of the consumer basket determined every month.

Along with helping develop paid health care and educational facilities for the socially unprotected strata of the population, the appropriate free state services should be

guaranteed. At the same time, in the sphere of health care and social support an active state policy should be implemented in the direction of universal establishment of the insurance system, including nonstate insurance.

3. Normalization of agriculture. Agrarian reform must be based on fundamental reorganization of the present structure of management. Decentralized management of the agrarian sphere should be implemented. The administrative-command structure should be replaced with coordinating functions.

The present sectorial structure of agriculture should be completely revised in the direction of steadily reducing the number of subsidized units. The breakup of monocultures and replacement of them with endemic and traditional crops and sectors should be consistently encouraged.

Strict control over the use of chemicals in agriculture must be established, existing norms must be revised, and a regional network of control laboratories must be set up, bringing it into line with the all-Europe network. The state is supposed to actively stimulate biological development of agriculture.

4. Surmounting the energy shortage and rational development of the power engineering complex. The trend of extensive development of the power engineering complex must be stopped for good. A state program to ensure full operation of existing production facilities and reduce the loss of electricity must be adopted.

State introduction of energy-saving technologies must be stimulated.

In the Area of State Security and International Integration

1. The accelerated development of the system of defense and national security. The senseless total militarization of the country and military construction without a well-conceived unified concept are unacceptable. Unified armed forces controlled completely by the parliament and the appropriate state structures should be formed as quickly and steadily as possible. The rest of the formations should be disbanded and disarmed immediately. The parliament should review the possibility of creating a system of reservists. A defense complex should be created, based on the principle of necessary sufficiency.

2. For Georgia special significance, based on the specific characteristics of its geopolitical location, is attached to creating political guarantees of security. In this regard Georgia's quick inclusion in international structures of cooperation, above all the system of European Cooperation and Security, is of vital importance to Georgia.

It should be borne in mind that the existence of an effective mechanism for settling internal conflicts politically is an important condition for real integration in the European processes.

3. Regional integration must become the cornerstone of Georgia's foreign policy doctrine. Special prospects in this regard are being opened for it in the area of regional cooperation among the countries of the Black Sea Basin and the creation of a system of security here. It is precisely active participation in creating this regional system that

will provide Georgia with the opportunity to be fully included in the all-European processes.

Parallel with this, the development of close economic and other types of relations in the Caucasus Region will always be of decisive significance to Georgia, since relations with our neighbors are reflected directly in stability within the country.

The Greens of Georgia preferred to publish this platform instead of a conventional preelection program. Only the basic directions of our parliamentary work are reflected in it. There is not enough space, unfortunately, to completely lay out our program materials. But if anyone is interested in our program materials or prepared draft laws, we ask you to write to the Greens' central headquarters at the following address: Tbilisi, 380012, Prospect David Agmashenebeli, 182, Mushtaid Garden, The Greens of Georgia.

Union of Social Justice

93US0175D Tbilisi SVOBODNAYA GRUZIYA
in Russian 2 Oct 92 p 6

[Text under the rubric "The Path to Unity, Independence, and Democracy": "The Preelection Platform of the Union of Social Justice of Georgia"]

[Text]

The General Part

The main goal of the Union of Social Justice of Georgia is providing social protection for the citizens of Georgia, improving their social conditions, and raising the economic, political, and cultural level of the country to the level of the leading states. Georgia should become a free parliamentary state where the municipal government will have broad powers.

The Economic Concept

In Georgia development of a regulated market economy should be accelerated, and to do that a transition period must be declared in order to avoid social crisis.

A) Privatization

In the transition period from the so-called "socialist economy" to a market economy, privatization of "all-people's property," which encompasses most sectors of the economy and most objects in the country, is one of the main tasks facing the Georgian State.

Public transport, means of communication, the interior, water, and monuments of culture should not be privatized. Major industrial enterprises (airlines, electric locomotive, shipbuilding, machine tool building, metallurgical, and automotive plants, the ferroalloy plant, worsted cloth, silk, and chemical combines, milling combines, and facilities that produce electricity and thermal energy) should also remain in state ownership. The state should not interfere in the commercial activity of enterprises that it owns.

In order to ensure that social justice is observed during the process of privatization, a whole number of measures must be carried out. They include the following: inventory all privatization objects in the republic and establish their

equivalent total value and divide it among all citizens of Georgia in equal quantities. Citizens will be given, free of charge, certificates (securities) equal in value to the share of the privatized property due them. The certificate is made out to a particular person and it cannot be sold for 2 years, but it can be loaned to another citizen, firm, or foreign investor. The holder must pay the owner of the certificate at least 20 percent of its value a year in dividends. But if a profit is received from using the certificate, the parties will divide 40 percent of the above-norm dividends in half. Citizens who were dismissed from work (or left of their own free will) after 1989 should be reinstated in jobs at privatized enterprises, and they must be issued a 3-year minimum material standard for themselves and persons dependent upon them.

B) Land Use

The state must establish the borders of villages and land within these borders must pass to the village's use. The state leaves a certain part of the land in its reserves, which will be used for social and military objectives and other purposes. In the transition period dividing it up should be prohibited. The village permits the sale of the personal homes of citizens and may itself become the new owner or agree to its sale to any citizen of Georgia. Rent is set at an amount no more than 20 percent of the average yield per hectare. The state must supply the village with agricultural equipment, spare parts, toxic chemicals, and fuel and lubrication and other necessary materials. The state issues urban residents plots of land measuring at least 3,000 square meters from its reserve fund for construction of dachas or for setting up garden plots.

C) Provision of Apartments

The housing fund which the state has must be completely privatized. Apartments must be given free of charge to those citizens who have been on the records for a certain number of years and do not have the capital for housing construction. So accordingly the state must not carry out complete privatization of the construction facilities which it has

Social Support of the Population

Pensions must be issued in an amount to ensure that the citizen is supplied with food and necessities. Pensioners, war veterans, families with many children, victims of 9 April and other fratricidal conflicts, and political prisoners (regardless of their beliefs) must be exempt from paying for housing-municipal services. Families with many (three or more) children must be given various benefits and aid. The state must concern itself with ensuring indoctrination, education, and job placement for orphans and solving the living problems of the disabled and single elderly persons. The network of both free and paid medical services should be expanded. Facilities that provide free food for unemployed and insolvent families must be opened at rich enterprises. The state must do everything possible to prevent unemployment and hunger. Part of the property of the former Soviet Union should be transferred to Georgia under the law.

A special program of economic and cultural development should be formulated.

Science

Great importance should be attributed to a new, correct determination of the sectors and directions of science which are essential to Georgia, taking into account the country's present and future interests.

The financing of science must be handled both by the state and by persons and organizations which own private and public property. A great deal of attention should be devoted to increasing the material interest of inventors, especially in those sectors which have a large economic impact.

Education

The Ministry of Education should resolve questions of the material-technical support of educational institutions and the certification of students and pupils; that will help raise the level of knowledge of youth and concentrate the material-technical base of educational institutions.

Studies at state educational institutions should be free. Private secondary and higher educational institutions should exist parallel with state ones. The Ministry of Education commission will certify graduates of educational institutions of all types based on the program which it ratifies.

Secondary education will not be compulsory. Upon finishing the eighth grade, education continues in a differentiated manner.

Teachers and employees directly involved in the education process should be comprehensively supported.

In the future university cities should be set up. This will relieve large cities and will create for young people the best conditions for studies and scientific research.

Higher educational institutions must be autonomous.

Freedom of the Individual

The adoption of the status of citizen should be accelerated. In order to develop the processes of the country's rebirth, all citizens of Georgia express their opinions on any questions of the country's sociopolitical life. They bear responsibility for that opinion personally. The law should reign supreme in the state. In order to keep track of contemporary processes, the state should set up strict monitoring of the processes of sending refugees back so that empty villages are not settled by foreign elements. At the same time, the state should formulate a program of official employment of citizens.

The Police

Capital which will go for covering losses of citizens and organizations inflicted on them by criminal persons as well as to award bonuses to police associates should be allocated from the police budget. The higher the indicator of the uncovering of crimes, the greater the amount remaining to award bonuses to the police.

The Constitutional Court

All citizens and groups of citizens should have the right to appeal any law to the Constitutional Court.

The Independence of Georgia

Despite Georgia's acceptance into the United Nations Organization and other international organizations, it still cannot be considered an independent state. The following are necessary for that:

- a) protection of Georgia's borders by Georgian border guards;
- b) withdrawal of the entire complement of Russian occupation troops from Georgia's territory;
- c) organization of customs and effective work by the customs service;
- d) introduction of Georgian national money;
- e) use of the Georgian language on Georgia's entire territory;
- f) establishment of state control in all regions of Georgia;
- g) Georgia must not join any one military-political association, it must take a position of active neutrality;
- h) to ensure real defensive capability, Georgia must demand its share of the nuclear weapons, submarines, warships, and other weapons;
- i) Georgia must also demand its share of the gold reserves, the fishing fleet, transport, and other material assets.

Party of National Unity, Political Union of Mountain Dwellers

93US0175E Tbilisi SVOBODNAYA GRUZIYA
in Russian 2 Oct 92 p 6

[Text under the rubric "The Path to Unity, Independence, and Democracy"] "The Preelection Platform of the Party of National Unity of Georgia and the Political Union of Mountain Dwellers' Bloc"]

[Text] The political, social, and economic crisis has reached its zenith under the existing way of life. Under the impact of the national movement and democratic forces, a change in state and economic structures is underway. The shortcomings of the first democratic elections along with other circumstances helped step up actions of destructive forces. The ethnic crises created artificially in Georgia, the internal resistance of the national movement, and other negative phenomena generated fundamental contradictions in the system of political interrelations in the republic and the Party of National Unity of Georgia and the Political Union of Mountain Dwellers bloc is fighting to normalize them.

The bloc attributes special significance in normalizing national-political relations to the question of the achievements of state power and its consolidation, use, and refinement. The bloc is called upon to help form and develop a national political ideology, a national political consciousness, and a national political culture; this is a necessary condition for creating a just social order.

For rational management of political relations, the voting bloc is fighting for the establishment of just equality and compliance with the interests of the population of different

regions of the republic, in particular the specific sociopolitical interests of mountain dwellers, in order to ensure national unity in the republic.

In order to ensure national unity, the bloc sets the goals both of uniting representatives of other nationalities living in Georgia and consolidating ethnic groups which exist within other nationalities. The bloc is expected to respect the language, culture, and traditions of people of all nationalities living in Georgia and in accordance with the demands of a civilized society to help them develop, taking into account that only given their own political, social, and economic independence can the Georgian people give other nations a guarantee of complete self-determination and comprehensive development, which in a certain sense demands unification and a joint struggle to resolve political and socioeconomic problems.

The voting bloc is fighting to establish just equality as opposed to unjust inequality and unjust lack of rights and restrictions; and to do that it is taking active part in formulating, legalizing, and in practice realizing fair nationalities legislation.

To ensure national unification and compliance with just equality, the voting bloc is called upon to overcome the political, social, and economic backwardness of the mountain-dwelling population. In mountainous regions it is trying to formulate and follow a sound socioeconomic and cultural policy, to form a rational economic infrastructure, and to attach special socioeconomic status to the mountain zone. The voting bloc is called upon to make fundamental qualitative changes in all spheres of life of Georgia's population.

In the sphere of politics, the bloc will fight to further refine and strengthen the democratic, multiparty political system, to protect Georgia's territorial integrity, to create a national civil society and a law-governed state, to refine foreign policy, to overcome all kinds of bureaucratic and dictatorial manifestations, to ensure the fairness of the national constitution and voting and other juridical laws, and to develop national political, defense, and other doctrines and to develop their material-technical bases and other aspects.

The bloc supports the formation of progressive political and social organizations, the expansion of contacts among them, and world development of humankind and opposes all kinds of threats and employment of force, military conflicts, and other nonprogressive political phenomena. The bloc considers it essential to develop cooperation and partnership in various spheres with all countries of the world, including in the sphere of decontaminating the natural environment, surmounting ecological crises, and eliminating grave illnesses, drug addiction, and various negative manifestations of international terrorism in the republic. The bloc supports the unity of the national movement in Georgia.

In the social sphere the bloc will follow a just social policy and fight to overcome the existing differences in standard of living among individual people, groups, and regions of Georgia, and to eliminate regional, kinship, and other undesirable exclusive groupings; to stop discrimination against people based on their affiliation with a particular place or religious, chauvinist, or political characteristics;

and to ensure complete freedom of religion reinforced by legislative enactments of the national parliament. The bloc will promote the following: protection of the dignity of the individual, freedom of national self-determination and conscience, no hindrances to trips to other countries, and elimination of undeserved income and unfair privileges.

The bloc supports protection of the social guarantees for insolvent families and families with many children, families of participants in war and deceased soldiers, old persons and disabled persons, victims of disasters, and mothers and children; a higher level of education, science, health care, and culture for Georgia's population; and improvement of social legislation.

The bloc will fight to protect and restore monuments of Georgian culture both within the republic and outside its borders; to develop national types of physical culture and sports; to formulate a broad health program; and to have national federations join international organizations and to increase their prestige.

In the sphere of economics the voting bloc supports the formation and operation of a market economy based on a diversity of national property. The bloc believes that inheritable land for perpetual use should be transferred both to individual citizens of Georgia and to collectives of working people. The bloc will strive for the democratization and demonopolization of the sphere of economics, the implementation of destatization and privatization of objects of state-social ownership, and the nationalization

of objects of nonstate ownership to such a degree as to help develop the national economy.

The bloc deems it necessary to form a national economic mechanism which must be based on fairness and promote rationality of production, distribution, exchange, and consumption of material and nonmaterial wealth. The bloc above all supports the formation of legislation for a market economy and national financial and credit systems, improvement of the tax system, formulation and introduction of national prices and agrarian policy, implementation of a passport system for natural resources, and establishment of registers of work force, land, and other national wealth. It will fight against the transfer of posts by kinship or religious succession and for the refinement of the structure of government at all levels, the development of progressive competition, and rational use of national production potential and natural and other resources.

The bloc deems it essential to create free economic zones in some regions of Georgia, to transform the structure of social production taking into account the population's interests, to locate production forces in accordance with national interests, to improve foreign economic strategy, to take rational advantage of the opportunities for mutually beneficial international division of labor, and to develop, regardless of the states' social order, trade, medical, education, credit, and other relations.

The preelection platform which the voting bloc has presented in brief and in general outlines will be made specific during meetings of candidates for deputies with voters.

ESTONIA

Stock Exchange Head on Economic Recovery

93UN0490A Tallinn *ARIPAEV* in Estonian
7 Nov 92 p 4

[Article by Margus Mets: "Ability to Compete Determines Success"]

[Text] To speed up economic recovery said Rein Usin, chairman of the International Securities Exchange of Tallinn, two problems will have to be solved—the international system of standards ISO-9000 would have to be established in Estonia, and an economic concept for greater autonomy to parishes will have to be devised.

In Usin's opinion, an ordinary citizen would evaluate his or her government strictly by the standard of living it affords, while overlooking the fact that it is not the national profit, but a steady growth in the ability to compete that makes the most reliable indicator for economic success. Since the ability to compete is the only key to the client (or paying customer), both here and abroad, the government should, in order to promote the economy, guarantee the normal functioning of an integrated system (including information, production, price, sales and distribution). "This is the only, and the most important task of the government, the proper execution of which will not only result in plants capable of competition, but also buyers who compete," Usin remarked.

"The generally recognized measure for the ability to compete is the price over quality ratio," he continued, "while the quality itself is part of the standardized system for quality with the code-name of ISO-9000, based on European standards and practices." Rein Usin is sure that establishing such a standard in Estonia will determine the competitiveness of our production in the near future, i.e. the potential of selling more of our production, so that we could buy the items needed and thus live better, on the whole.

"We know from the experience of the Western states, however, that implementing a new system of standards takes at least four years," Usin admitted. He said that in 1979, because of the complex nature of the quality issue, a standard ISO terminology was created, which determines what word stood for what. The ISO-9000 standard, which determines the requirements for quality, was not issued until 1985. In case of Estonia this could probably be accelerated, because we can follow the example of a functioning system.

To implement the foregoing, the government will have to make decisions that might slight the interests of some and give an advantage to others. It would be difficult to follow a clear line here, because it keeps changing. Since the research of academic scholars would tend to be clumsy, subjective and out-dated for this kind of a process, Usin suggests an alternative—the creation of a so-called round table for fast-response economic activity. He said that the 1938 formation of such an institution in Finland has justified itself to this day. This formation is currently operating under the name of *Liike-taloustie-teellisen tutkimuslaitoksen*. Its leadership consists of 36 top Finnish names from the areas of science, technology, politics, etc.,

and some 20 to 30 studies are done in a year, taking an average of one to three months each. Usin thinks that an Estonian version of such an organization could be of great help to the government in gathering information and making responsible decisions.

Usin said that visions of development revealed up until now depict primarily industry and service in urban environments. Rural life will have to be put in place by the much talked-about administrative reform and giving increased autonomy to parishes. Usin remarked that in solving that problem, too, we would do well to follow the example of our more advanced neighbors. "The situation we are in now, was faced by the Finns in mid-70's. We have politicians seeking answers to the problem, they turned it over to scholars—the analysis and synthesis process was assigned to the Lahti department of the University of Helsinki. The first rural regions obtained their autonomy in 1989 and, as of now, the whole process has basically been completed."

So that the legally autonomous parishes could also start functioning normally as economic units, Rein Usin thinks that we should turn to the scholars at the University of Helsinki because there is no point trying to reinvent the bicycle.

"Declarative independence is not enough to live on," Usin summarized, "the system of economically autonomous parishes amounts to guaranteed food and government worries reduced to half."

Mass Unemployment Threatened as Plants Close

93UN0447A Stockholm *DAGENS NYHETER*
in Swedish 28 Nov 92 p C 2

[Article by Mert Kubu: "Economic Chaos Threatens Estonia"]

[Text] Tallinn—Estonia faces the threat of mass unemployment. Two paper mills have already closed their doors and sent their workers home. Balti Manufaktuuri, the big clothing firm, has notified the Estonian Government that it will cease operations in a matter of days. In Sillamae near Narva mothers who have not been paid for three months are staging a hunger strike.

It is estimated that real unemployment is already close to 15 percent. In the Narva region it is considerably higher. There the Russian-speaking population is predominant and the risk of conflict is considered great.

"It is especially tragic with the hunger-striking mothers who have left their children with neighbors and at day-care centers while they strike," said Raivo Paavo, head of the Estonian Federation of Trade Unions.

No Money

People in Sillamae who have jobs are also threatening to sit down on the main roads between Tallinn and Narva and stop all traffic unless their wages are paid.

But the companies have no money. A great many Estonian companies that are still state-owned are virtually insolvent. They have not paid their bills for telephone service, electricity or heat, they have paid no taxes to the state and now they are not paying their employees either.

The first companies have now had their telephones disconnected and their heat turned off. Mart Laar, prime minister in the new Estonian Government, announced a few days ago that a number of companies will be declared bankrupt. There will be many bankruptcies. The government's first priority will probably be to try to prop up some of the big firms in Narva—otherwise there will be a big risk of political unrest and bloody clashes.

At the same time ads have been placed in the international press offering 38 Estonian companies for sale to the highest bidder. It is highly unlikely that any serious potential buyers will jump at the chance as long as there are no laws and most Estonian banks are also more or less insolvent. The central bank has closed accounts in three of the biggest banks and issues contradictory reports daily on what will happen to the banks.

For Sale

Meanwhile thousands of families will suffer.

Tonu Vare, secretary of Ametiühingute Keskliit, Estonia's Federation of Trade Unions, had this to say:

"The worst is that we lack laws that protect employees and regulate relations between employers, workers, and the state."

Work on producing the laws is still in progress. When they have been adopted, of course, the result will be that even more companies will be declared bankrupt.

Ninety Kronor a Month

Currently there is no law that compels companies to pay wages. Some companies do not pay at all, others pay very little of the wages that are due, perhaps only 160 Estonian kroons a month (just under 90 Swedish kronor).

Unemployment benefits today amount to only 180 Estonian kroons a month (100 Swedish kronor). They are paid for no more than six months.

Vare said: "And even getting that is very difficult. For one thing unemployed people must accept any job offer, regardless of the type of work, which means in practice that an unemployed professor must take an unskilled job and a handicapped person must accept any job offer, no matter how impossible it is to perform."

Social security is one of the things Estonia's Federation of Trade Unions is now fighting for and chairman Paavo recently studied Swedish social legislation at Folksam in Stockholm.

Dairy Farmers Worry About Imported Foods

93UN0447B Helsinki HUFVUDSTADSBLADET in Swedish 12 Nov 92 p 11

[Article by Carl-Gustav Linden: "Voimix Edging Out Estonian Butter With Help of Export Aid"]

[Text] Finnish Voimix, a table spread that is sold with the help of big state export subsidies, is fast replacing domestic butter on the Estonian market.

Estonian dairy farmers, who had hoped for success in exporting their own products, are now in danger of being superseded on the domestic market instead.

Voimix has taken a large bite out of the market and is dominant in the area of butter/vegetable fat products, which are also imported from countries like Germany and Denmark.

Estonian dairy farmers and the dairy industry are now appealing to the government for import protection. The government in Tallinn is considering the introduction of new price supports for domestic butter. But there is little chance it can help as Estonia promised to keep the national budget balanced in the agreement with the International Monetary Fund and tax revenues are small.

Stored Butter Turning Rancid

"Of course consumers must be allowed to choose if the quality of our own butter is really that poor," conceded director Haldur Parter of the Farmers Association in Tallinn.

But the situation is difficult, to say the least. Two weeks ago 1,000 tons of rapidly deteriorating butter was found in cold storage. Butter tolerates only a brief storage period before it turns rancid.

The imported fats are purchased at world market prices. In other words, they are subsidized with state export aid. Finland subsidizes Raisio's export of Voimix at a rate of 12.97 markkas per kilogram.

The size of the subsidy depends on the milk fat content.

Estonia has almost no protection against the dumping of food products. For decades the rich industrialized countries have been perfecting the art of protecting domestic farmers and food industries behind high tariff walls, while at the same time selling surplus food at heavily subsidized prices.

The Estonian Government is now looking into how much edible fat really comes into the country. Director Parter says there are no official statistics because a lot comes in via small private agencies.

In the past Prime Minister Mart Laar has said that the dairies must adjust to the new competitive situation and he has rejected higher tariffs. However, the government might consider introducing a new price support for domestic producers.

Reaction Justified

Johan Korkman of the Swedish Agricultural Society in Nyland is one of those who are actively engaged in an effort to assist Estonian agriculture through such things as collecting used machinery. He is familiar with the problems involved in butter production.

"They have every right to react to this. Estonia will probably introduce import tariffs in some form and this could happen very soon. They are in an impossible situation because their production costs are 50 percent higher than the fixed producer prices. If they don't do something there will soon be no livestock and dairy production left."

Voimix, which is manufactured by the Raisio concern, is by far the most popular product in Estonia and costs only slightly more than domestic butter. Voimix contains 17 percent milk fat, the rest is vegetable oil and water.

Arto Jonson of Raisio Margariini said that the export price is around 6 markkas per kg. Voimix costs 3-4 markkas for a 400-gram package in stores in Tallinn.

Voimix has become so popular that Danish exporters have introduced a new brand which is sold in Estonia under the name of Taana-Voimix (Danish Voimix) in order to cash in on the good name.

But the domestic producers have also woken up and an Estonian dairy has introduced a similar vegetable fat.

Seizing Chance To Buy

This is good news for Finnish tourists. A foreign traveler can bring back up to 5 kg of duty-free margarine from Tallinn for less than 50 markkas. At home Voimix costs 25-30 markkas per kg. Thus money can be saved and some may reason that "consumers should also get some benefit from agricultural subsidies."

The export of margarine to Estonia was started with a view to tourist sales. But the Estonians were quick to discover the new product. Between January and September Finland exported 92 tons of margarine and vegetable fat to Estonia. But it was not until fall that sales really took off—in September we exported 46 tons according to official Finnish customs statistics.

Figures for October are not yet available.

Jonson was unwilling to reveal Raisio's share. Its competitor, Valio, exports no edible fat to Estonia.

Jonson said Estonian demand for Voimix is considerably larger than Raisio's capacity. The reason is that the company entered into contracts with importers in Poland, Hungary, Czechoslovakia, and the CIS countries before the boom on the other side of the Gulf of Finland got under way. Raisio has no sales organization of its own there but relies on local importers. And Voimix became popular with no advertising at all.

"We have captured substantial markets in a period of a year and a half. The Estonian market first came to life during the fall.

"Finnish traveling salesmen have been doing the actual spadework for a long time and now it is starting to pay off."

Jonson expressed regret that the domestic industry is suffering but felt the consumers are the winners.

"Industry is now in a situation that makes it necessary for them to do something for their own production. We are still not sure what the government intends to do. There is talk of restricting imports. Russia is introducing a 15-percent tariff and that limits our possibilities there."

Raisio is about to make a breakthrough with Voimix in Russia too. It is true that margarine has a bad name there because their own products were substandard and therefore Russian consumers have preferred butter. But when high-quality margarine products start becoming available in the stores, customers will choose them instead.

Esva Fish Plant Director on Financing Problems

93UN0447C Helsinki HUFVUDSTADSBLADET
in Swedish 12 Nov 92 p 11

[Article by Inger Blomqvist: "Esva Has Financing Problems"]

[Text] Esva is now in good shape as far as raw material is concerned, but financing is still a problem. This was disclosed by Jaak Polly, president of Okean, the majority owner of Esva, the Finnish-Estonian fish plant outside Tallinn.

In Estonia it is rumored that Esva is having problems with its financing organizations.

Polly conceded that financing is not entirely in order, but refused to be more specific.

Jaakko Lehtonen, director in charge of foreign matters at Valio, which owns 48 percent of the joint venture, also declined to comment on possible problems with the banks, referring queries to the majority owner.

Olavi Puro, vice president of Esva, which began its production of fish sticks in September 1990, said the raw material crisis the firm experienced last year is now over.

The plant had enough raw material, at least in the summer, thanks to its success in negotiating quotas in Faeroese fishing waters as well as signing contracts with boats that fish in Alaskan waters.

According to Puro the problem last year was that Estonia was left without fishing quotas when the company and the fishing boats became Estonian. Russia retained the quotas and it took some time before Estonia could negotiate its own.

Some 15,000 tons of raw fish are needed annually for the fish sticks, 90 percent of which are exported.

The original idea was that 80 percent would go to the Soviet Union, but now most of the exports go to Finland, Sweden, the Netherlands, Poland, Czechoslovakia, and Germany, according to Puro.

Only a small amount goes to Russia and that is a barter arrangement that supplies the factory with cooking oil.

Soldiers' Training at Finnish Cadet School Aired

93UN0334C Tallinn PAEVALEHT in Estonian
27 Oct 92 p 10

[Article by Toomas Sildam: "10 Estonians Studying at the Finnish Cadet School"]

[Text] *Of the 10 Estonians studying at the Cadet School near Helsinki, five previously served in the Estonian defense forces, four in the former Soviet army and one in the Estonian border guards. [Photo not reproduced].

On August 31 of this year, 10 young Estonian men between the ages of 18 and 25 started their studies at the Cadet School near Helsinki. The state of Finland will train them to be officers in two years. They were picked out of 30 candidates (evaluated for general suitability, military and civilian education, psychological balance and physical preparedness; knowledge of Finnish was also required). Of the

"dropouts" 10 went to take the half-year course for non-commissioned officers at Lappeenranta, and 10 were sent back home.

One Cadet is Costing 60,000 FIM

The Finnish news agency STT was quoted by ETA as follows: "Estonians have a strong interest in studying, because an independent country needs its own army and its trained leaders. They will be graduating in 1994 and believe that, by then, Estonia would have assembled enough men into its defense forces. By that time, the cadets should be capable of training and leading an infantry regiment in peace-time and also under war-time conditions."

The training for one cadet is costing the Finnish state roughly 60,000 FIM [Finnish marks]. Matti Lukari, director of the Cadet School, added that cadets get a daily allowance of 50 marks and, once a month, an all-paid return trip to Tallinn by ship.

*Estonia's young men will graduate from the Cadet School on June 29, 1994. "We will become officers in Estonia's defense forces. Nobody could really be any more specific about our future right now," the cadets themselves say. [Photo not reproduced].

Out of the 20 cadets, five have served in Estonia's defense forces, four in the former Soviet army and one in the Estonian border guards. Such a diverse background does not affect the attitude of the school's leadership, nor does it affect mutual relationships between the cadets. And that despite the fact that these young men include, for example, both the fellow from Kaitseleit who acquired a caseful of cartridges as well as the policeman who participated in confiscating this ammunition. That's the way life is ...

Everybody Treats You Like a Human Being...

"It was winter when I received the offer to come and study in Finland. I thought about it, discussed it with my wife, and here I am," said Vahur Valjamae. He is one of the four who served in the Soviet army before—as a master-sergeant in the Viljandi Spetsnazi [special intelligence] brigade. "I have always wanted to become an officer, but not an officer in the Soviet army," Vahur admitted. "Here, at the cadet school, the schooling is much better than it was in the Russian military. Like the fact that everybody treats you like a human being. That makes a big difference."

*Cadets say that, after training, they take their muddy and torn uniforms to the Cadet School laundry. "We are not allowed to wash or mend anything. Even the blue-black-and-white insignia were sewn onto our uniforms by the school's employees." [Photo not reproduced].

Cadet school director Matti Lukari said that the ideology of Finnish military training is a far cry from that of the former Soviet Union. Captain Peteri Rokka said that young men coming from the Russian military are amazed at the absence of *dedovchina* [hazing of one's inferiors] and also that a cadet can speak with the officers as one's equals.

The cadets are not living 30 men to a barrack, but two to a room. Captain Rokka added that soon the cadets will each have their own room. "They have to be comfortable, and they have to feel at home." So it seems perfectly normal

for the school to have a large swimming pool, saunas, a coffee shop, etc., and for the cadets to have a winter and a summer vacation.

Vahur Valjamae said that "The Estonian boys were surprised at how well they were received here at the Cadet School. We all know what the attitude toward Estonians has been at Helsinki."

Cartridges Not Counted

The day at the Cadet School starts at 6. After that there is either calisthenics, running or swimming. Breakfast is at 7. Classes start at 8. Lunch is at 12, more classes from 13 to 17, and free time thereafter. "Classes" mean either theoretical lectures or field training. So far, our boys have been firing the Kalashnikovs made at the Valmet factory and the FN pistols, and also the machine gun on a few occasions. Vahur Valjamae told us that "a week-long camp is scheduled for November, which will probably include the use of anti-tank weapons."

There is no ammunition problem in the Finnish army. "After lectures, we can take 120 cartridges for the automatic, and 200 for the pistol and go shooting at the range," Leo Kunnas said. With a smile, he mused: "After one of the Cadet School's short training sessions, where we go through 20 or more kilograms of ammunition and well over a thousand cartridges, the Estonian defense forces would be bankrupt."

Dancing Ability is Mandatory

The Cadet School offers a four-year course to the Finns. The training for Estonian cadets runs for half of that time. "We get more trips to the forest and more study assignments, and less of mathematics and physics offered to the Finns," Vahur Valjamae said.

*Cadet School director Matti Lukari says that even though cadets from Estonia are serious students, they are otherwise quite ordinary young people. Lukari is a 1959 graduate of the same school. The school's current enrollment is 350 cadets. "Last time the competition was fierce: 550 young men applied, only 80 were admitted." [Photo not reproduced].

It has been said in Estonia that our cadets always have a very serious demeanor. "Yes, they are serious students. But they, too, get a gleam in the eye like everyone else," Matti Lukari added. On Monday nights, for example, the cadets are required to put in two hours of dancing, because the Finnish think that a future officer must feel at home at a social gathering and that includes his ability to dance.

Helsinki-Tallinn

LATVIA

Protocol of Latvian-Russian Meeting on Troop Withdrawal

93UN0417A Riga VS-SM in Russian 13 Nov 92 p 1

[Protocol signed by S. Zotov, head of the Russian Federation delegation, and J. Dinevics, head of the Latvian Republic delegation: "Protocol of the Meeting of State Delegations of the Russian Federation and the Latvian Republic on the Question of the Withdrawal of the Armed

Forces of the former USSR under the Jurisdiction of the Russian Federation from the Territory of the Latvian Republic, 23-24 October 1992, Moscow"]

[Text] 1. In accordance with a previously achieved agreement, negotiations of state delegations of the Russian Federation and of the Latvian Republic took place in Moscow on 23-24 October 1992.

2. On the side of the Latvian Republic the delegation was headed by State Minister J. Dinevics.

On the side of the Russian Federation—S. Zotov, Ambassador Extraordinary and Plenipotentiary.

3. A range of questions concerning the complete withdrawal of the Armed Forces of the former USSR under the jurisdiction of the Russian Federation deployed there from the territory of the Latvian Republic, as well as certain problems of economic relations, was discussed.

4. The parties agreed on a number of points in the course of the discussion of the draft agreement on the question of the withdrawal of troops; however, differences on fundamental questions were not eliminated.

5. The Latvian side reaffirmed its position on the need to complete the total withdrawal of the troops in 1993 without any prior conditions.

The Latvian side has in mind the withdrawal of all troops, including the radar station in Skrunda, the dates for the closing down of which can be fixed by a separate agreement.

The Russian side does not exclude the possibility of withdrawing the troops in 1994 if the questions which make up the well-known "package" of Russian proposals of 6 August 1992 are resolved.

6. The Russian side again reaffirmed the prime importance which it gives to the problem of normalizing the legal status of the non-indigenous portion of the population of Latvia, including former members of the armed forces. It bases itself on the fact that the Agreement on the withdrawal of troops ought not to affect the legal personality of these persons, and primarily their property and housing rights.

7. The parties reaffirmed their fundamental positions with respect to rights to real property.

The Latvian side adheres to the position that all real property under the jurisdiction of the armed forces of the Russian Federation located on the territory of the Latvian Republic is the property of the Latvian Republic.

The Russian side considers that the Russian Federation, as the successor of the former USSR, retains the right of state ownership to the property of the Armed Forces under the jurisdiction of the Russian Federation and stationed on the territory of the Latvian Republic.

The parties agreed to seek a solution regarding the military enterprises of the Ministry of Defense, having in mind the ensuring of their normal functioning and the preservation of the employment of the personnel of these enterprises.

8. For the purpose of accelerating and regulating the process of the withdrawal of the troops, the Russian

delegation proposed that draft Russian-Latvian agreements prepared by experts of both sides be submitted for the consideration of the governments of the Russian Federation and of the Latvian Republic:

—on the procedure for the crossing of the state border of the Latvian Republic by persons who are members of the Russian Armed Forces;

—on the procedure for the use of territorial waters, ports, and port installations by Russian Armed Forces;

—on railroad shipments of military stores of the Russian Armed Forces through the territory of the Latvian Republic during the period of their withdrawal from the territory of Latvia and the procedure for clearing operations regarding them;

—on the procedure for providing pensions to pensioners from among the members of the armed forces of the former USSR and the members of their families;

—on the procedure for carrying out customs formalities during the period of the withdrawal of the Armed Forces and Border Troops of the former USSR from the territory of the Latvian Republic.

9. The adoption of the "Provisional Statute on the Procedure for Movement of the Armed Forces under the Jurisdiction of the Russian Federation through the Territory of the Latvian Republic and their Crossing of the State Border of the Latvian Republic" was appealed against by the Russian side. This document goes against previously achieved agreements at the level of state delegations to abstain from uncoordinated unilateral actions. The Russian delegation informed the Latvian side that for this reason the command of the Northwestern Group of Forces and the Baltic Fleet cannot accept it for implementation.

The Latvian side bases itself on the fact that until a basic agreement regarding the withdrawal of the troops is concluded the Latvian authorities are compelled to regulate the conditions for the sojourn of Russian troops in the territory of Latvia.

The Latvian side expressed concern about the continuing violations of the sea and air space of the Latvian Republic on the part of the Russian Armed Forces, the conducting of target practice by Russian airplanes and warships in Latvian territory, and the entry of Armed Forces personnel without coordination with the appropriate authorities of the Latvian Republic.

The Russian side raised the question of the cancellation of the duties on fuel imported for the forces of the Baltic Fleet temporarily deployed in Latvia which have been illegally introduced by the Latvian side.

10. The parties defined the range of questions of a fundamental character on which agreement has not been successfully achieved and which require the adoption of political decisions:

—the time periods for the withdrawal of the troops.

—the right of ownership to real property.

—strategic installations.

—the legal personality of part of the former members of the armed forces and the members of their families, including their property and housing rights.

11. The delegations agreed to hold the next round of negotiations tentatively in the middle of November this year.

Latvian Peasants Face Continuing Difficulties

Expectations Unfulfilled, Foreign Aid Costly

934403084 Moscow SELSKAYA ZHIZN in Russian
17 Nov 92 p 2

[Article by A. Timkov, SELSKAYA ZHIZN correspondent for the Baltic republics: "The Food Question—the Farmer Is Getting Stronger...Abroad"]

[Text] Providing the population with grain and bakery products was never previously charged to the Latvian peasant as a first duty. There was no critical need for this. Grain in the required amounts and suitable quality was imported from Kazakhstan and other republics of the Soviet Union. Moreover, it cost less than local grain. And there was enough of it for more than just bread, macaroni, and all possible kinds of confectioneries. The main flow of foreign grain was directed to the complexes and farms that were built based on imported fodder within the scope of an all-Union division of labor. The benefit was mutual. If the fact is not taken into consideration that frequently products with a Latvian brand were abundantly represented in Moscow rather than in local stores. Which was also the reason for the outbreak of dissatisfaction of the residents of the republic at the time of perestroika and glasnost.

A clarification of who is feeding whom led to a reduction in the deliveries of mixed fodder and, as a result, of the total head of livestock, especially pigs. Bread itself became more expensive. While in Bashkortostan the consumer pays 18 rubles [R] for a 750-gram loaf, you can only buy a 300-gram loaf, perhaps, for the same price in Latvia. But the problem is that even such expensive bread is more and more frequently unavailable in the stores, and the lines for it are getting longer and longer. Stoppages are occurring in trade with macaroni, except for foreign spaghetti at R40-R45 for a half-kilogram package.

The outlook for the forthcoming winter causes headaches for many of the residents of the republic. Similar situations also arose in the so-called stagnation years, but at that time the leadership of the republic was faced with the choice of what number of cattle to butcher and what number to leave. There was no talk of daily bread. But, today, complications are approaching from two sides simultaneously. There is a catastrophic shortage of grain reserves for providing the population grain products, and also for meeting the needs of the mixed feed industry.

Not long ago individual politicians saw the ridiculously low prices as the root of evil. A loaf of bread cost much less than lemonade. But since this was so, then prices had to be brought into conformity and thereby catch the grain Fire Bird by the tail. The interest in cultivating cereals will

increase for the peasant, they said, in proportion to the increase in prices and, then, overseas, farmer, look out! The country will not give you an incentive, it will manage with its own little grain, home grown! And prices in Latvia skyrocketed, they reached world prices, and the government was even compelled to cut bakers down to size so that they would not abuse their monopoly position on the market.

However, the incentive did not work. The production of grain in the republic was extremely low. There is not enough of it even for the baking of rye bread, which traditionally was made of local flour. Undoubtedly, the drought affected crop capacity and the gross yield of grain. Losses from it are measured almost in a billion rubles. But by far not all agronomists are inclined to attribute the failure to weather. Subjective factors also had a substantial effect. Preparation for sowing winter and spring crops coincided with the division of land in the village. Confusion also affected the preparation of seeds and the provision of fuel. For these reasons, in a number of places the soil was plowed in a hurry, without fully observing the rules of agricultural techniques. But the fields that were prepared carefully for sowing are also producing a good harvest now.

Foreign countries promise to help overcome the shortage. They have such a great desire to maintain their outpost in the former country of the soviets that a special credit for the purchase of grain has already been granted. And the foreign farmer, in contrast to ours, receives a powerful incentive for the development of production. They will not have to reduce the sown area and suffer losses from grain surpluses that are not sold on the markets of their own countries.

Very few people are worried today about how this will affect the fate of the Latvian peasantry. Nevertheless, it is true that timid voices can be heard in defense of our own agrarians, but they are being interrupted by the harsh necessity to ensure the survival of the people in the forthcoming winter. However, momentary objectives never contributed to the achievement of prospective tasks with a minimal of costs. Farmers of the republic who believed the government and its assurances of all-round support of the new form of economic management in the village are experiencing profound disappointment. They are threatening road blockades and a cessation of product deliveries to the city. There is also great dissatisfaction among the peasants who work in shared and joint-stock farms.

The myth about the prosperity of the village and that all that it takes is to destroy the kolkhozes and sovkhozes and divide the land among individual producers has been dispelled. In order for the republic to be able to feed its own population, the division of land is not enough. There is a need for long and detailed work and solid material expenditures. The persistence of the Latvian peasant in work is exemplary, but there are not enough financial resources. However, foreign countries are not helping unselfishly. It will be necessary for the next generation to pay for the credits.

Transition Long, Difficult

934A0308B Moscow SELSKAYA ZHIZN in Russian
24 Nov 92 p 5

[Article by A. Timkov, SELSKAYA ZHIZN correspondent for the Baltic republic: "Agro-Industrial Reform—Choosing the Path; Having Lied Once"]

[Text] At the time that Latvia was getting its independence, the popular slogan was "We will be hungry, but free." When the slogan began gradually to be transformed from an emotional verbal phrase into reality, then it became apparent that the leaders hastened to shift the sacred right to suffer for freedom to the backs of the people. Those dedicated to glasnost were literally shocked by the official wages of the managers of rayon governments and industrial enterprises. They turned out to be ten times more than the minimum wages and pensions and incomes of the villagers.

The city, which speaks primarily in the Russian language and which is being propped up by unemployment, generally reacted to this calmly. Perhaps you could hear in lines for bread or other products: "They deceived us. They are getting rich, and we who voted for them have tightened our belt to the limit." The passivity of the proletariat is explained by the fact that wages in industry are almost twice as high as in agriculture. That is not why the village, where a majority of the native population lives, does not intend to be silent and wants to clarify at whose expense the gentlemen democrats are prospering. They want to, I repeat, because, owing to the increase in prices of all types of resources and industrial production commodities, their purse has become thinner. For example, an ordinary milk pail that was cursed every which way in the stagnation years cost a peasant two to three liters of milk. Now almost two pails of milk have to be sold in order to pay for a milk pail. The situation is the same with other types of commodities.

The government is fully informed of the grievous situation in the village. And the chief of the Cabinet of Ministers on several occasions had to dampen the dissatisfaction of the villagers. The allocation of credits for the acquisition of fuel, seeds, and the promise to extract payments from the processors and trade for long-since consumed milk and meat restrained the village from protest actions. However, the cup of patience, apparently, is over-filled or close to spilling over the brim. Because, as previously, money is slipping through the pocket of the farmer, for despite the significant increase in purchase prices, retail and wholesale prices are exceeding them substantially. For a kilogram of beef, the peasant now gets almost R29 on the average, and the meat combine gets approximately the same for itself. This type of arithmetic is also applied to the remaining types of products. As a result, agricultural production, both in a farmstead and on large public farms, either becomes unprofitable, or its income barely covers expenses.

Many exhortations and evidence with detailed calculations of expenditures and incomes did not lead to a mutual understanding and a bridging of positions. It is apparent, no matter how much you feed the wolf...

But how does one suppress the greedy hands? Judging by everything, the peasants are shifting from passive methods

to active methods of defending their rights. Using the threat of blockading processing enterprises, they are demanding an increase in purchase prices from the authorities and the restoration of voluntary societies of producers of agricultural products that operated before the war. A return to structures that date back half a century is conditioned by an effort of the villagers to be transformed from suppliers of raw materials to producers of finished products and, possibly, to sellers as well.

But as the ancient philosopher noted correctly, it is impossible to enter the same water twice. In the same way, it is not easy to revive a system of procurement and processing of milk and meat that existed a half century ago. The matter rests not only on the resistance of officials who are afraid to release the reins of administration and the formation of price policy, but also on objective factors. In the last decade, big changes have taken place in the processing industry. Many small creameries, cheese processing establishments, and smoking sheds were eliminated. Large interrayon combines were set up, and a majority of the milk and meat producers turned out to be estranged from the processing enterprises and became dependent on them. Even during the period of strong party authority, the kolkhozes and sovkhoses were divided into ours and theirs. By turning ownership of enterprises over to the peasants, the government not only would release the price lever, but it would also provide a basis for dissension between the producers of different rayons. The workers of the combines themselves are hindering privatization. After shifting from under the state wing to the full subordination of different owners, they are depriving themselves completely of an opportunity to become individual owners. And, therefore, the government was able more than once to reject the claims of the village to possess and dispose of products of the processing industry as well. But the peasants were not as united at that time. The new owners, who left kolkhozes and sovkhoses, rebuffed the latter for abuses in the calculation of the size of a share. But now that both the collectivists and the farmers are as poor as church mice, a closing of the ranks is taking place.

Perhaps the politicians who not long ago swore their love for the village should not be reproached for evil intentions or ingratitude. A very pragmatic approach is ruling here. Under the conditions of the crisis, the government is trying to find the lever and the fulcrum with whose help it would be able to overcome the negative consequences of economic chaos. How to pull out of it? There is no shortage of recommendations. Difficulties are starting in the practical implementation of one or another program. Both here and in Russia, without any agreement, eyes are turned toward the village. It, they say, will endure without receiving a deserving wage for their work and manage in the hard years of reform with a pair of tarpaulin boots and quilted jackets, and the feeding land will not let them die of hunger. But the city with its clamorous intelligentsia and militantly inclined workers, pensioners, and students needs support and a certain amount of playing to the gallery. Was it not the peasants who, in the final analysis, as history shows, stormed the palaces and overthrew the authorities?

It is quite probable that it will be possible to restrain the summer-autumn onslaught of the peasants on the current

composition of the government. Before the approaching elections to the Seimas, which can be held as early as the beginning of the coming year, it will hardly be possible for any kind of political forces to set their eyes on seats in the Cabinet of Ministers. The new parliamentarians will entrust them to their own people, but it is unlikely that anyone will want to be a caliph for an hour, more accurately, for several months. But the last days in authority will not be easy! Right now the population of the republic is scrupulously watching expenditures on food. Scientifically based norms of food are inaccessible for many. True, the mass slaughter of cattle just before the wintering that is predicted by specialists of the Ministry of Agriculture promises some hope for the supply of meat products. However, the hopes are so weak that few believe them. Does the population have enough money to buy these products?

But Latvia was unable to reshape the kolkhoz-sovkhoz blanket in the farmer fashion and to climb the ladder of European prosperity quickly. A long step-by-step movement forward lies ahead. But speaking in the words of Janis Kaneps, deputy chairman of the collective farm Veselav in Tsesiskiy Rayon, the entire difficulty is that the villagers do not believe anyone. And this is the worst thing that threatens the economic policy of the state.

Drug Addiction Increase, International Cooperation Efforts Detailed

93UN04384 Riga ATMODA ATPUTAI
in Latvian 11 Nov 92 p 23

[Article by Selma Amata: "For a Third Time in the Desert; Part III"]

[Text] Article starts in ATMODA ATPUTAI 42(93) and 44(95).

At present, Latvia often hosts various foreign visitors, who have been brought here by their own unselfish (or maybe just the opposite—selfish?) desires to help in whatever manner they can to improve our disintegrated economy. At the Criminal Police Department of the Republic of Latvia, for more than one week, lectures were being given by two men from the French Ministry of Internal Affairs of the "Central Agency in the Fight Against the Illegal Narcotics Trade". In the audience, along with our criminal police officers, were also customs agents and border guards—representatives of their organizations—for the first time, who should have been working in the combined effort of drug addiction intervention long ago.

Michelle D'Ortol and Pierre Malahude told ATMODA ATPUTAI that in France:

On the national scale complex, the drug addiction intervention program involves 12 ministries, including: the Ministries of Internal Affairs, Defense, National Education, Health Protection, Justice, Culture, Agriculture, and Social Development. The police handle the main suppressive function—the municipal police departments are responsible for arresting drug addicts, narcotics users and sellers, bringing them to headquarters, and questioning them. The "Central Agency in the Fight Against Illegal Narcotics Trade" is already at a higher level.

The activities associated with the arrest of drug addicts and the prevention of drug addiction are under the auspices of the respective ministries.

Allocations from the national budget are sufficiently large to insure that the department under the respective ministries can do a proper job, whether it is on the level of preparing specialists, or with respect to having access to technical equipment.

Sixty percent of the French people are more afraid of drug addiction than of war, unemployment, or poverty.

Although this fight was already started at the end of the nineteen sixties, the problem is still widespread, especially among the youth, and no one is immune to it. This is particularly true for people who have a problem with their job, a place to live, or self-esteem.

Therefore, these are problems that were, are, and will be present, even in a healthy, well organized, and rich society.

WE LIVE IN A SICK, DISORGANIZED, AND POOR TIME

The Republic's head medical expert on drug addiction, Janis STRAZDINS, characterized the Latvian narcotics threat as follows:

- The situation is more than just threatening. This year, the number of known drug addicts, i.e. those who have been registered, according to the official statistics, has only slightly exceeded last year's level—i.e. 540—, but the truth is that the spread of the problem has not grown arithmetically, but by geometric progression. We had already started to develop a plan for drug addiction intervention primarily, there were well prepared specialists in the criminal police, as well as in medicine, and a medical facility network was created. What happened to the dogs who were trained to find narcotics, since their trainers are now doing the job? With the medical experts on drug addiction, the situation is as follows: every day they anxiously wait to see which medical facility will be closed next. They will get transferred all over, and become qualified in some other specialty.

The destruction of everything from the past, including the positive things, has undeniably created the situation in which Latvia has become a bridge for narcotics trafficking from East to West, with the excess being left over for consumption here. Poland's experience can show what the results will be: 50% of drug addicts there have AIDS. As soon as our national currency becomes convertible, Latvia will also become a state run by the narcotics mafia, with all of the associated consequences. If nothing is done

What can be done, and what has to be done? A nation-wide program in the fight against drug addiction must be developed immediately. This must be done by specialists, taking into consideration both the local characteristics, and the experience of the neighboring Western countries. The program's implementation must involve the Ministries of Welfare, Internal Affairs, Justice, Education, Economics and Finance (customs), as well as the Public Prosecutor's Office—the same as it is in the rest of the world.

The program must insure **first of all**—a combined initiative, which would restrict the availability of narcotic substances; this would be the fight against the mafia, the uncovering and destruction of illegal laboratories, as well as the formation of legislative and penal systems to create a barrier for potential drug addicts, and—**second**—to decrease the people's demand for these substances. People have to understand the extent of the damage, and realize the associated threat of AIDS. But primarily—they must live under conditions where they are not subjected everyday to streams of stress and negative emotions, starting in childhood.

Our drug addicts often mention the practice in certain Western countries—where addicts, instead of receiving punishment and forced treatment, are offered the needed amount of narcotics free of charge, thus decreasing the addict's threat of criminal behavior while he is in the process of obtaining the necessary substance, and at the same time, quite humanely lessening his suffering from withdrawal.

In reality, the situation is nowhere nearly as simple: nowhere do those who voluntarily want to poison themselves to death get the poison offered free of charge, out of humane considerations. Various countries do practice the so-called methadone programs. Methadone is a light opiate group narcotic, which is a withdrawal suppressant. Permission to receive it is only granted to those drug addicts who have been repeatedly treated, and are incurably sick, and who have no other alternatives in their lives. Most frequently, they are AIDS patients. To receive their doses, these unfortunates must go only to an approved pharmacy—to swallow a spoonful of a slurry, which has been intentionally formulated as such, to prevent holding some back in the mouth or by some other manner.

The implementation of a drug addiction intervention program in all nations, even the richest nations, requires a great amount of resources. The present policy adopted by our administration is—let them suffocate in their own filth!—they only raise the rates we have to pay. Yes, those who are shooting up right now, and are not being treated, will die soon enough, either from AIDS, like in Poland, or from a drug overdose, or from being physically wasted away due to chronic intoxication. But new ones will come in their place—those whose behavior will be controlled by the narcotics mafia. They will rob YOUR apartment, they will pull YOUR children into their web. They will force YOU to pay. Sooner or later, they will force US to pay.

LATVIA KNOWS ONLY DRUG ADDICTION, THE NARCOTICS TRADE IS YET TO COME

Latvia's Criminal Police Chief, Laimonis LIEPINS, tells us:

This year in Latvia, there have been 65 criminal cases brought up on narcotics importation, use and resale. This figure does not even closely reflect the true picture of the narcotics trade. Although in Latvia, before the lats becomes convertible, we can only talk about drug addiction supported by "kitchen chemistry", not by the narcotics trade, nevertheless, our country has become a transfer point for narcotics on route to the Scandinavian countries, Amsterdam—the West. Shipments are arriving

not only from our former neighbors—Armenia, Turkmenistan, Uzbekistan, but also from Iran, Iraq, Afghanistan, thus from mafia establishment controlled countries.

Centers from the West on narcotics trade intervention are becoming more and more interested in us. Over there, they understand that the less that is done here, the greater the extent of the effects will be of the narcotics threat that affects them. Nevertheless, without resources and the improvement of technical equipment, nothing can be done. In Riga, the combined fight against drug addiction consists of only 8 people. They work on a case-to-case basis, but what is needed is an uninterrupted and close-working association in the airports and seaports, through which the major narcotics shipment activity takes place. Customs and the border guards are not prepared for this fight.

A similar helplessness in Poland resulted in all of their cities being divided into zones run by different narcotics mafia groups.

A group consisting of eight people to fight drug addiction—that is not a true force. The small number of spaces available in medical facilities, and the low efficacy of the detoxification treatment—these also do not change the picture of the narcotics threat.

What is urgently needed is a coordination center in the fight against drug addiction and trafficking of narcotic substances in the Republic. If we all don't take one road, there also won't be any significance to each individual achievement.

Estonia already has the krona, Lithuania will soon have the lats, and that means that the time of the lats is approaching. The bitter reckoning period.

Selga Amata Photos by V. Stupnieks and E. Kudzitis (AFL)

Caption for photo on top left: Pierre MALAHUDE. No matter how dangerous the criminal to be detained is, a good policeman should never forget that a bullet shot from the barrel of the gun cannot be recalled.

Caption for photo on top right: Michelle D'ORTOLE. In my experience, I had an instance, because of which I almost had to give up my career as a policeman, but which, at the same time, taught me something for the rest of my life: in those areas, where the activities are strictly regulated, there is no room for improvisation. While I was in the process of recording the questioning session, the person detained managed to remove the material evidence—only because we had allowed him to keep his handcuffed hands on the table.

Caption for photo on bottom left: Laimonis Liepins, Chief of Latvia's Criminal Police. There have already been various instances where, based on the information we provided, the Swedish police apprehended large shipments of narcotic substances, which had been sent through Riga.

Caption for photo on bottom right: Jānis Strazdiņš, Main Medical Expert on Drug Addiction for the Republic. Our department of medical experts on drug addiction is temporarily dependent on the help of our neighbors, for the most part, DEITOP—this is a system developed by the Germans, we recently received a sizable shipment of medication from Hamburg for the treatment of addiction to opiates.

Captions for Bar Graph on bottom of page: Bars left to right: Barbiturates: 1.0%; Hashish: 3.0%; Multiple narcotic substance dependency: 5.0%; Ephedrine: 30.0%; Opium: 32.0%; Household chemical products: 17%; Multiple toxic substance dependency: 9.0%; Psychostimulants: 2.0%; Sodium oxybutyrate [oxybate]: 1.0%; Bottom line of graph: Narcotic substance dependency: 71%; Toxic substance dependency: 29%.

LITHUANIA

LDDP Deputy Chairman on Obstacles to Western Investment

93U NO3844 Vilnius TIESA in Lithuanian 7 Nov 92 p 2

[Article by Gediminas Kirkilas, first deputy chairman of LDDP "Why the West Did Not Help Us?"]

[Text] The "card" of Western assistance became especially topical when the results of the first round of elections were made public. As it is, unfortunately, already typical for our politics, that card is exploited particularly zealously by those who did everything to make those possible investments avoid Lithuania.

I could not assert that they did it because of ill-will. It is more likely perhaps that it happened because of poor competence or ambitions, and maybe because of the inability to think more spaciouly and in a more statesmanlike manner. However, many specialists have acknowledged that it is in this area that we fell behind our neighbors and were unable to take advantage of the wave of interest in Lithuania.

In this case I am not speaking about Western political assistance that was given and that would have been granted in any event, because the West is primarily interested in strengthening democracy in the post-communist lands.

And so the question is if the West has granted us any more visible material assistance and what should be the purpose of this hypothetical assistance—to bolster our country's economy or to support some kind of political forces? As an average citizen, I could not confirm that such an assistance did exist although I know that there were some attempts. But they did not materialize.

The first reason for this is that despite the noise from state platforms, asserting that we are leading in the creation of a market economy, Lithuania has no good laws solidly anchoring property; also until now we virtually had no constitution.

Second. We have almost no guarantees for foreign investments.

Third. The lease or acquisition of land has been made maximally difficult.

Fourth. Almost constantly there were no agreements between the Parliament and the Government, among various political forces. There were scary stories about "creeping" or other coups and such a political climate was hardly conducive to attract entrepreneurs and businessmen and induce them to take a risk to start some kind of a business in our country.

Fifth. It is questionable if the pragmatic Western political and business experts could have favorably evaluated our national radicalism as a proper ingredient for a political and economic partnership.

Sixth. As far as I understand, our officials were not very successful in representing our country abroad. In diplomatic meetings, they did not propose serious programs for those hypothetical investments, did not keep agreements, promises, etc.

On the other hand, investments and credits are not charity. They must be paid back, plus interest. Only production or raw materials can guarantee that. Basically, we have no raw materials. Production, as we know, has kept declining, and not only because of objective reasons but also because of the rash slogan-based, politicized reform, from which the intellectual potential and practical experience were excluded.

Having listed the causes why the West is in no hurry to invest capital in Lithuania, it is obvious that we must act the other way round as until now. A consistent privatization guarantees for business, normal taxes, political stability, democracy are those minimal initial conditions for us to receive credit or to see capital. Moreover, we must have concrete programs, models, computations, forecasts, etc.

It would also be useful to understand that the West is not some abstract Eldorado. The West is Germany, America, other countries, and their specific interests and views. Sometimes even contradictory. And therefore to be exploited. Besides, if we speak about possible investments, we should speak not only about the West. And what about the North, the South, the East? Partners, the market, etc., exist there, too.

And the best policy with regard to all the neighbors is our own work. A stable economy and policy, a rapid flow of capital, an improving infrastructure and other factors are the real ways to attract foreign capital. The same applies to our geopolitical situation, whose advantages we have unfortunately not yet utilized.

The greatest damage to Lithuania's international prestige has been inflicted by our internal quarrels, and at present by the reinforced propaganda: "the communists have won," "be damned you who have voted..." etc. In any democratic country, the victory of this or that democratic party is a cause to celebrate the victory of democracy. From the point of view of any westerner, democracy's victory has nothing to do with whether the conservatives or the socialists have won, but with the very fact the election took place and the people have made their choice. The raving attacks on the voters just because they had voted for the LDDP shows one thing: our radicals care only for power and the official posts (something of which they constantly accuse others). All this is witnessed by the world, which is now open and in which one cannot conceal one's malicious intentions, ignorance or non-democratic behavior.

The main reason why the democratic world might turn away from us, and obviously, give us no assistance and investments whatsoever would be the disregard for democratic elections by using ideological or "patriotic" motives

as a cover. Contacts will be maintained and negotiations will be conducted only with a democratically-elected government no matter if it is rightist, leftist or centrist). Only such a government will be recognized abroad, even if some people would be very much averse to it.

Newly Elected Seimas' LDDP Deputy on Republic's Economic Prospects

93UN0387A Vilnius TIESA in Lithuanian
10 Nov 92 p 4

[Interview with economist Julius Veselka by Algirdas Strumskis: "Lithuania Is Not a Merchandise"]

[Text]

[Strumskis] We congratulate you on having become a member of the Lithuanian Parliament after the first round of elections. We wish you success and determination in this honorable activity.

[Veselka] Thank you. Your newspaper has also contributed to my electoral victory, because it was not afraid to publish my critical articles.

I want to give my sincere thanks to all the people of Alytus, who gave me their votes, and to the women, old and young, of Dzūkija who have sincerely supported me. I want to thank the members and observers of the regional and rural district electoral commissions, to the members of the Democratic Labor Party of Alytus city and region, who chose me, a non-party person, as a candidate for Parliament and who have done everything to ensure that the parliament election law was not violated and that elections would proceed in a decent and democratic manner. Many people are saying that the priests were not tolerant toward the LDDP candidates. The priests of my electoral district were truly tolerant toward me. I also give my sincere thanks to them.

[Strumskis] Tell me, are you not frightened by the fact that so many voters gave their support to the LDDP and its representatives? Will the deputies have enough determination and courage to solve the very complicated tasks of strengthening the state and, especially, reforming the economy?

[Veselka] If someone is scared by the responsibility, let him play the political game. By the way, some of the politicians who have lost are acting similarly. I want to say that I still do not see a big victory. The situation in Lithuania is such that if we do not get an absolute majority in the Parliament, then we will not be able to realize our reform program and the present amorphous, chaotic political situation in Lithuania will remain. Disorder, thievery, the indecent self-enrichment by various organized groups will continue, increasing poverty will haunt our families. I think that the people of Lithuania will resist all kinds of threats, the subtle demagoguery of high-ranking politicians, and on November 15 will give the majority of their votes for the LDDP candidates.

I wish to remind you that the Lithuanian Agriculturists' Association and the Forum for Lithuania's Future are marching with the LDDP. This coalition includes people who are experienced in economic activity and have not merely read booklets about the market and democracy.

[Strumskis] Now, after the first round of elections, we hear threats that the reforms might be slowed down. What do you think?

[Veselka] The best answer to this question is in the LDDP program, especially in its economic section. We not only clearly understand that Lithuania has no other choice but to continue resolutely on the road of reform. But we also know how to move from the populist introduction of reforms to their pragmatic realization. The market is not the present disorder, chaos, the incompetence and paralysis of the executive power, but order and concord, based on reasonable laws and the balancing of the interests of various strata of society. If there were any attempts to slow down or to undermine the reform of the economy, I would be the first one to resist it resolutely and I might even go over to the opposition.

[Strumskis] The present leaders of Lithuania's government are maintaining that the International Monetary Fund and other global financial organizations will reduce credits to us if the LDDP wins a majority in the Parliament.

[Veselka] Such propaganda is used by people who to this very day do not understand what the democratic world is. For the democratic world it does not matter which party has won the elections. The most important thing for them is that the people elect their government democratically and that they respect human liberties and rights.

What matters to the world in our case is that there be no slowing down of the economic reform. The political force or coalition that will ensure these demands will have no problems in receiving credits. Let us remember that credits are given not to support political parties, but to strengthen Lithuania's statehood and its economy. This is one point.

The other point is that no sizeable credits in convertible currency were received during the more than two and a half years of independent Lithuania's existence. It could not have been otherwise, because even I would not invest my capital into a state in which chaos prevails. Only on the very eve of the elections the International World Bank did grant 60 million dollars in credits. Such credits would last only a couple of weeks for us. This means that those who are trying to scare us that we shall not get any credits want to put the blame for their failures on those who were not yet in the government. I can firmly state that if we win the majority in the Parliament, we will receive larger credits. On the condition, of course, that Lithuania will have a democracy, the reform of the economy will be continued, and there will be agreements with the neighbors.

We will continue, without deviation, on the road of privatization. We will connect privatization tightly with the introduction of the national currency and its strengthening; we shall ensure stringent thrift in budgetary expenses. We shall create the most favorable conditions for investment and for foreign capital. We shall seek a free trade policy.

Such principles of reform are also supported by the International Monetary Fund and therefore I think that no problems should arise in connection with it. In my opinion, the economic reform in Lithuania will receive its highest grades when credits will be granted not only by the international financial organizations but when big private

capital will come to Lithuania and when globally recognized large corporations and concerns will establish their branches here, in Lithuania. Our duty is to create attractive conditions for this capital.

[Strumskis] And then a new question arises for us, voters: won't we sell Lithuania?

[Veselka] Pardon me, but Lithuania is not a merchandise. Lithuania has withstood the trials of centuries. Nobody sold it or bought it. And nobody can sell or buy it. Whoever talks about it, understands the entire world only as a buying and selling deal.

We, the people of Lithuania, want to live well and in a cultured manner, we want to see the world and the world to see us. But to have these wishes materialize, we must try to obtain the most advanced technologies, to manufacture quality goods, and to use contemporary marketing and management systems. We will be able to obtain all that if we create the most advantageous conditions for foreign investment and for foreign capital. This will not be a sellout but an acquisition. Let us get rid of this rather primitive conception of foreign capital. Some people say that foreign capital will exploit us. I will say that contemporary owners are civilized individuals who regard workers and employees not as a labor force but as an equal partner. I would even say that perhaps we should be more afraid of our own savage entrepreneurs for whom someone without a property is a zero.

Therefore, I would like to emphasize: we will not sell Lithuania but will seek to obtain the most up-to-date information, experience, competence, respect and partnerships. We will see to it that Lithuania does not remain isolated from the innovations in global science, culture, and technology.

[Strumskis] But voices are heard that if the people do not vote for the centrists, then they choose socialism and therefore the voters have no future.

[Veselka] I think that in these elections the people have showed a great wisdom, practicality and political education. They want to see in Lithuania two strong parties, as is the case in the entire democratic world. One would be inclined to the right, the other one—to the left. Several weaker parties may also exist. When there are many equivalent weak parties, then the state is riven by political strife, which opens the path for an authoritarian regime. And we cannot give the name of centrist forces to a few brave fellows who have formed a group, because they have no serious program or stable political views. The people have confirmed this during the elections.

As for the future, I can say this: if the government does not take care of today, then it cannot help the people to create a beautiful future for themselves. Without today there cannot be a tomorrow.

[Strumskis] This conversation with you has relaxed me somewhat. God grant that others, too, may be thus appeased.

[Veselka] I would like to relax and to console all the people. We should understand that if even such formerly almost illiterate states as South Korea, Taiwan, Thailand and Singapore have managed to achieve magnificent results in

three decades, then we, with our literate population, sufficiently qualified engineers, technologists, designers, production organizers, scientists, an experience in production—we will be able to put our economy in order much faster and to improve the people's lives much more rapidly. Only we must understand that we shall create a normal life in Lithuania not by searching for enemies but by harmonious work. This is what most people in Lithuania want. And the duty of the members of our Parliament is to ensure that normal life. Therefore, I would like to see more people who hold the same views in the Parliament and in the Government.

[Strumskis] Thank you for the conversation.

Diplomats Assess Lithuania's Foreign Relations, Election Results

93UN0384B Vilnius TIESA in Lithuanian
12 Nov 92 p 1

[Article by Rimantas Grybas: "Only the Lithuanians Themselves Can Be the Guides of Their Own Country"]

[Text] A three-day session of the retiring Government took place at the Lithuanian foreign ministry, with the participation of the representatives of the Republic's diplomatic corps. They included the ambassador extraordinary and plenipotentiary in the USA and in the United Nations Organization, Anicetas Simutis, the ambassadors in the European Community, Sweden and Poland—Adolfas Venskus, Romualdas Kalonaitis, Dainius Junevicius; honorary consuls in Chicago, Los Angeles, Toronto and Argentina—Vaclovas Kleiza, Vytautas Cekanauskas, Haris Lapas and Algimantas Rastauskas.

In yesterday's press conference at the foreign ministry, the diplomats noted that the Lithuanian embassies are receiving daily requests to establish relations with our Republic. According to R. Kalonaitis' data, at present, relatively speaking, Lithuania receives most support from Sweden, especially after the visit of the royal couple. The snag in the development of economic relations is our own fault because so far we have not been able to respond to all the offers.

According to H. Lapas, the commercial ties are being developed with difficulty. Thus the Canadians are concerned about the fact that a foreign army is still stationed in Lithuania and that the Republic still does not have its own convertible currency. Moreover, our officials are not observing business ethics and are violating drawn up contracts. Keeping one's word and a firm handshake are valued more in Canada than stamped documents.

V. Cekanauskas remarked that most of the U.S. business people expect quick profits when they invest money. As soon as they find out about the situation in the country, the consul said, the businessmen get cold feet and are in no hurry to go to Lithuania.

Commenting on the results of the first round of elections to Lithuania's Parliament, the diplomats told about the various reactions, including the sceptical ones, among the Lithuanians abroad. In V. Cekanauskas' opinion, it is inconceivable that after the victory of the Democratic Labor Party the foreign countries will turn away from Lithuania. This is a normal political life because only

Lithuanians themselves are their country's guides. The U.S. elections were won by the democrats, but that does not mean that those Americans who had voted for the Republicans would boycott the new administration—V. Cekanaukas said.

Constitution of the Republic of Lithuania

Text of Constitution

935D0131A Vilnius EKHO LITVY in Russian
10 Nov 92 pp 1, 3-6

[Constitution of the Republic of Lithuania, adopted by the citizens of the Lithuanian Republic by referendum on 25 October 1992, signed by Lithuanian Republic Supreme Council Chairman Vitautas Landsbergis in Vilnius on 6 November 1992]

[Text]

THE LITHUANIAN PEOPLE

- having created the Lithuanian state many centuries ago,
- basing its legal foundation on the Lithuanian Statutes and the Lithuanian Republic Constitutions,
- for centuries having decisively defended their freedom and independence,
- having retained their spirit, their native language, their literature and customs,
- embodying the natural right of man and the people to live freely and to create on the land of their fathers and forefathers—in an independent Lithuanian state,
- hoping for national agreement on the land of Lithuania,
- aspiring to an open, fair, harmonious civil society and a legal state,

at the will of the citizens of the resurrected Lithuanian state do hereby adopt and proclaim the present

CONSTITUTION

Chapter I.

THE LITHUANIAN STATE

Article 1.

The Lithuanian state is an independent democratic republic.

Article 2.

The Lithuanian state is created by the people. Sovereignty belongs to the people.

Article 3.

No one may infringe upon or limit the sovereignty of the people, or assume for himself the sovereign will belonging to all the people.

The people and every citizen have the right to offer opposition to anyone who forcefully encroaches upon the independence, territorial integrity, or constitutional order of the Lithuanian state.

Article 4.

The people implement the supreme sovereign role directly, or through their representatives who are elected by democratic means.

Article 5.

State power in Lithuania is implemented by the Seimas, the President of the Republic and the Government, and also by the Court.

The powers of the authorities are limited by the constitution.

The institutions of power serve the people.

Article 6.

The constitution is the integral and directly applied statute.

Anyone may defend his rights based on the constitution.

Article 7.

Any law or any other statute is invalid if it contradicts the constitution.

Only publicized laws are valid.

Ignorance of the law does not excuse one from responsibility.

Article 8.

Seizing state power or its institution by forceful means is considered an anti-constitutional action, and is unlawful and invalid.

Article 9.

Vital questions in the life of the state and the people are resolved by means of referendum.

In the cases established by law, the referendum is announced by the Seimas.

A referendum is also announced if this is demanded by no less than 300,000 citizens who have electoral rights.

The procedure for announcing and holding the referendum is established by law.

Article 10.

The territory of the Lithuanian Republic is united and indivisible into any state formations.

The state boundaries may be changed only in accordance with the international agreement of the Lithuanian Republic after ratification by 4/5 of all Seimas members.

Article 11.

Administrative units of the territory of the Lithuanian state and their boundaries are established by law.

Article 12.

Lithuanian Republic citizenship is acquired at birth and in accordance with other grounds established by law.

With the exception of the individual cases established by law, no one may simultaneously be a citizen of the Lithuanian Republic and of some other state.

The order of acquisition and loss of citizenship is established by law.

Article 13.

The Lithuanian state protects its citizens abroad.

A citizen of the Lithuanian Republic may not be extradited to another state, unless otherwise established by an international agreement of the Lithuanian Republic.

Article 14.

Lithuanian is the state language.

Article 15.

The colors of the state flag are yellow, green and red.

The state seal is a white Vitis on a red background.

The state seal, state flag, and their application are determined by laws.

Article 16.

The state hymn is the "National Song" by Vintasas Kudriki.

Article 17.

The capital of the Lithuanian Republic is the city of Vilnius—the historical capital of Lithuania for many centuries.

Chapter II

MAN AND THE STATE

Article 18.

Human rights and freedoms are natural.

Article 19.

A man's right to life is protected by law.

Article 20.

Human freedom is inviolable.

No one may be subjected to arbitrary detainment or holding under guard. No one may be deprived of freedom, except on the basis of and in accordance with such procedures as are established by law.

A person detained at the scene of a crime must be brought to court within 48 hours, where the question of justification of detainment is resolved in the presence of the detainee. If the court does not accept the resolution of arrest, the detained person is immediately released.

Article 21.

The individual person is inviolable.

The dignity of a person is protected by law.

A person may not be subjected to torture, maimed, degraded, treated harshly, or sentenced to such treatment as punishment.

A person may not be subjected to scientific or medical experiments without his knowledge and voluntary consent.

Article 22.

The private life of a citizen is inviolable.

Correspondence, telephone conversations, telegraph communications and other relations of a person are inviolable.

Information on the private life of a person may be gathered only on the basis of a motivated decision of the court, and only in accordance with the law.

The law and the court provide protection to see that no one is subjected to arbitrary or unlawful intervention in his personal and family life, or to encroachment on his honor and dignity.

Article 23.

Property is inviolable.

The rights of ownership are protected by laws.

Seizure of property is possible in the order established by law for public needs, and with fair compensation.

Article 24.

A person's residence is inviolable.

No one may enter a person's residence without his consent, except on the basis of a court decision or in the order established by law in the case of necessity of guaranteeing public order, detaining a criminal, or saving the life, health or property of a person.

Article 25.

A person has the right to his convictions and their free expression.

A person should not be hindered in seeking, obtaining, and disseminating information and ideas.

Freedom to express one's convictions, receive and disseminate information cannot be limited in any other way except by law, if this is necessary for protection of the health, honor and dignity, private life or morality of a person, or the constitutional order.

Freedom to express one's convictions and to disseminate information is incompatible with criminal actions—incitement of national, racial, religious or social hatred, violence and discrimination, or slander and misinformation.

A citizen has the right within the order established by law to obtain the information available about him in state institutions.

Article 26.

Freedom of thought, religion and conscience is not subject to limitation.

Every person has the right of freedom to choose any religion or faith and to practice it singularly or together with others, in private or public order, to perform religious rites and to practice his religion and teach it.

No one may either compel another person, nor himself be compelled to choose or profess any religion or faith.

Freedom of a person to profess and promulgate his religion or faith cannot be limited in any way, except only by law and only in case of need to guarantee public safety, public order, the health and morality of people, as well as other basic rights and freedoms of the individual.

Parents and guardians are free to arrange for the religious and moral upbringing of their children and wards in accordance with their own convictions.

Article 27.

A person's convictions or the religion or faith which he practices may not justify any crimes or non-fulfillment of laws.

Article 28.

In exercising his rights and using his freedoms, a person must adhere to the constitution and the laws of the Lithuanian Republic, and not limit the rights and freedoms of other people.

Article 29.

All persons are equal before the law, the court and other state institutions or officials.

Limitation of a person's rights or granting of privileges to him based on sex, race, nationality, language, origins, social position, religion, convictions or views is prohibited.

Article 30.

A person whose constitutional rights or freedoms are violated has the right to appeal to a court.

Compensation for material and moral loss inflicted upon a person is determined by law.

Article 31.

A person is considered innocent until his guilt is proven in the order established by law and acknowledged as having gone into legal effect by sentence of the court.

A person accused of committing a crime has the right to an open and fair review of his case by an independent and impartial court.

A person cannot be forced to testify against himself, members of his family or close relatives.

A sentence may be imposed or applied only on the basis of the law.

No one may be punished a second time for the same crime.

A person suspected or accused of committing a crime, from the moment of his detainment or first interrogation, is guaranteed the right to a defense, as well as the right to an attorney.

Article 32.

A citizen may move about freely and select his place of residence in Lithuania, and may freely leave Lithuania.

These rights cannot be limited, except only by law and in case of necessity of ensuring the security of the state, the protection of health of the people, as well as in the implementation of jurisprudence.

A person cannot be prohibited from returning to Lithuania.

Any Lithuanian may settle in Lithuania.

Article 33.

Citizens have the right to participate in governing their country directly as well as through democratically elected representatives, and also have the right to enter state service of the Lithuanian Republic on equal conditions.

Citizens are guaranteed the right to criticize the work of the state institutions or officials and to appeal their decisions. Persecution for criticism is prohibited.

Citizens are guaranteed the right to petition, the order of implementation of which is established by law.

Article 34.

Citizens who are 18 years of age on election day have the right to vote.

The right to be elected is established by the Lithuanian Republic Constitution and the laws on elections.

Citizens whom the court has ruled incompetent may not participate in elections.

Article 35.

Citizens are guaranteed the right to unite freely into societies, political parties or associations, provided their goals and activity does not contradict the constitution and the laws.

No one may be compelled to belong to some society, political party or association.

The creation and activity of political parties and other political and social organizations is regulated by law.

Article 36.

Citizens may not be prohibited or hindered from gathering without weapons for peaceful meetings.

This right cannot be limited in any way except by law, and only in the case of need to protect state or public security, the social order, the health or morality of people, or the rights and freedoms of other people.

Article 37.

Citizens belonging to national communes have the right to development of their language, culture and customs.

CHAPTER III**SOCIETY AND THE STATE****Article 38.**

The family is the basis of society and the state.

The state protects and watches over the family, motherhood, fatherhood and childhood.

Matrimony consists of the free agreement of man and woman.

The state registers marriages, births and deaths. The state also recognizes church registration of marriage.

The rights of spouses in a family are equal.

The right and responsibility of parents is to bring up their children as honest people and devoted citizens, and to support them until they reach legal age.

The responsibility of children is to respect their parents, take care of them in their old age, and treat carefully their inheritance.

Article 39.

The state provides for families bringing up children at home, and gives them support in the order established by law.

For working mothers, the law provides paid leave before and after giving birth, favorable labor conditions and other benefits.

Minor children are protected by law.

Article 40.

State educational-instructional institutions and self-administered educational-instructional institutions are secular. If the parents wish, they may teach God's law.

Non-state instructional-educational institutions may also be created in the order established by law.

The institutions of higher learning are given autonomy.

The state supervises the activity of the educational-instructional institutions.

Article 41.

Education of persons up to 16 years of age is mandatory.

Education in state (self-administered) general educational and professional schools and educational institutions of a higher level is free of charge.

A higher education is accessible to all in accordance with the abilities of each person. Citizens who are successful in their studies are guaranteed free instruction in institutions of higher learning.

Article 42.

Culture, science and research, as well as teaching, are free.

The state gives support to culture and science, gives attention to the protection of monuments and treasures in history and art and other monuments and treasures of Lithuanian culture.

The spiritual and material interests of the author, associated with scientific-technical, cultural-artistic creativity are protected and safeguarded by law.

Article 43.

The state recognizes the churches and religious organizations which are traditional in Lithuania, and other churches and religious organizations—provided they have support in society and their teachings and customs do not contradict the law and morality.

The churches and other religious organizations recognized by the state have the rights of a legal person.

Churches and religious organizations freely preach their teachings, practice their rites, have houses of prayer, charitable institutions and schools for training the servers of their cult.

Churches and religious organizations act freely in accordance with their canons and statutes.

The position of churches and other religious organizations in the state is established by agreement or by law.

The preaching of a church and the teachings of religions organizations, any other religious activity, as well as prayer houses, cannot be used for purposes contradicting the constitution and the laws.

Lithuania does not have a state religion.

Article 44.

Censorship of the mass media is prohibited.

The state, political parties, socio-political organizations, and other institutions or persons cannot monopolize the mass media.

Article 45.

National communes of citizens independently engage in the matters of their national culture, enlightenment, charity work, and mutual aid.

The state gives support to national communes.

CHAPTER IV

THE NATIONAL ECONOMY AND LABOR

Article 46.

The economy of Lithuania is based on the right of private ownership, on personal freedom of economic activity and on personal initiative.

The state provides support to socially beneficial economic efforts and initiative.

The state regulates economic activity in such a way that it serves the general good of the people.

The law prohibits monopolization of production and the market, and protects the freedom of honest competition.

The state defends the interests of the consumer.

Article 47.

The land, inland waters, forests, and parks may belong with right of ownership only to the citizens of the Lithuanian Republic and the state.

Land plots held with right of ownership in accordance with the order and conditions established by laws may belong to a foreign state for the purpose of founding its diplomatic and consular institutions.

The Lithuanian Republic holds exclusive right of ownership to the earth's depths, as well as the inland waters, forest, parks, roads, objects of historical, archeological and cultural state significance.

The Lithuanian Republic holds the exclusive right to the air space over its territory, its continental shelf and the economic zone in the Baltic Sea.

Article 48.

Each person may freely perform his choice of work and enterprise, and has the right to the appropriate safe and healthy conditions of labor, to a fair labor wage, and to social protection in case of unemployment.

The labor of foreigners in the Lithuanian Republic is regulated by law.

Forced labor is prohibited.

Service in the army or its alternative service, as well as the labor of citizens during time of war, natural disaster, epidemic or other extraordinary cases is not considered forced labor.

The labor of persons sentenced by the court and regulated by law is not considered forced labor.

Article 49.

Every working person has the right to rest and leisure time, as well as to an annual paid vacation.

The duration of the work day is determined by law.

Article 50.

Professional trade unions are created freely and act independently. They protect the vocational, socio-economic rights and interests of the workers.

All trade unions have equal rights.

Article 51.

Workers have the right to strike in defense of their socio-economic interests.

The limitations, conditions and order of implementing this right are established by law.

Article 52.

The state guarantees the right of citizens to pensions based on age and disability, to social support in case of unemployment, illness, widowhood, loss of the breadwinner, and in other cases specified by the laws.

Article 53.

The state shows concern for the health of people and guarantees medical aid and services to a person in case of illness. The law establishes the order of granting citizens free medical aid in state medical treatment institutions.

The state encourages physical culture of society and promotes sports.

The state and each person are responsible for protecting the environment against harmful effects.

Article 54.

The state exhibits concern for protection of the natural environment, the animal and plant world, individual natural objects and areas which are particularly valuable, and implements supervision for purposes of the careful application, as well as the restoration and replenishment, of natural resources.

The law prohibits exhaustion of the land, its depths, the water, pollution of the water and the air, emission of radiation effect on the environment, as well as impoverishment of the plant and animal world.

CHAPTER V

THE SEIMAS

Article 55.

The Seimas consists of representatives of the people—141 members of the Seimas, elected for a term of four years on

the basis of general, equal, direct electoral right by means of secret ballot.

The Seimas is considered elected if no less than three-fifths of the Seimas members have been elected to it.

The procedure for electing the members of the Seimas is established by law.

Article 56.

Any citizen of the Lithuanian Republic who is not bound by oath or responsibility to a foreign state and who on the day of the elections is at least 25 years old and resides permanently in Lithuania may be elected to the Seimas.

Persons who have not served the punishment according to their court-imposed sentence, as well as persons deemed by the court to be incompetent, cannot be elected as members of the Seimas.

Article 57.

Regular elections to the Seimas are conducted no earlier than two months before and no later than one month before the terms of the Seimas members have expired.

Article 58.

Unscheduled elections may be held at the decree of the Seimas, adopted by a majority of votes of no less than three-fifths of all Seimas members.

Unscheduled elections to the Seimas may also be announced by the republic's president:

1) if the Seimas fails to adopt a decision on the new Government Program within 30 days after it is submitted, or if, after the first submission of the Government Program, it is not approved two times in a row within a period of 60 days;

2) at the proposal of the government, if the Seimas directly expresses a vote of no confidence in the government

The republic's president may not announce unscheduled elections to the Seimas if there are less than six months remaining to his term of office, and also if six months have not passed since the last unscheduled Seimas elections.

The Seimas's decree or the republic president's statute regarding unscheduled elections to the Seimas must specify the date of the elections to the new Seimas. The elections of the new Seimas must be held no later than within three months after adoption of the decision on unscheduled elections.

Article 59.

The term of office of the Seimas members begins on the day of the first meeting of the newly elected Seimas. The term of office of the previously elected Seimas members expires at the beginning of this meeting.

An elected member of the Seimas attains all rights of a people's representative only after taking an oath in the Seimas to be true to the Lithuanian Republic.

A member of the Seimas who has not taken an oath in the order established by law, or who has taken a conditional

oath, loses his mandate as Seimas member. The Seimas then adopts a decree to this effect.

In fulfilling their responsibilities, Seimas members are guided by the Lithuanian Republic Constitution, the interests of the state, and their own conscience, and cannot be limited by any mandates.

Article 60.

The responsibilities of a Seimas member, with the exception of his duties in the Seimas, are incompatible with any other duties in state institutions and organizations, or with work in entrepreneurial, commercial and other private institutions or enterprises. A Seimas member is excused from the responsibility of performing service in defense of the land for the duration of his term in the Seimas.

A Seimas member may be appointed only by the prime minister or minister.

The work of the Seimas member, as well as the expenditures associated with his parliamentary activity, are paid at the expense of state budget funds. A member of the Seimas may not receive any other salary, with the exception of payment for artistic activity.

The responsibilities, rights and guarantees of activity of the Seimas member are established by law.

Article 61.

A member of the Seimas has the right to appeal with a request to the prime ministers, ministers or heads of other state institutions formed or elected by the Seimas. These must give a verbal or written response to this appeal at the Seimas session in the order established by the Seimas.

During the session, a group comprised of no less than one-fifth of the Seimas members may submit an interpellation to the prime minister or minister.

After discussing the response given by the prime minister or minister to this interpellation, the Seimas may decree that the response is unsatisfactory, and express its vote of no confidence in the prime minister or minister by a majority of votes of half of the total number of Seimas members.

The procedure for voting is established by law.

Article 62.

The person of the Seimas member is inviolable.

A Seimas member may not be brought to criminal responsibility, arrested, or his freedom limited in any other way without consent of the Seimas.

A Seimas member may not be persecuted for voting or speaking in the Seimas. At the same time, he may be brought to responsibility by general procedure for insult to the individual or slander.

Article 63.

The powers and authorities of the Seimas member cease in case of:

- 1) expiration of his term of office, or beginning of the first session of the Seimas elected at unscheduled elections;
- 2) his death;

3) his retirement;

4) his being deemed incompetent by a court;

5) his being deprived of his mandate by the Seimas under the order of the impeachment process;

6) his election being deemed invalid or in case of gross violation of the Law on Elections;

7) his transfer to work, or his refusal to leave work which is incompatible with his responsibilities as a Seimas member;

8) his loss of Lithuanian Republic citizenship.

Article 64.

The Seimas meets annually at two regular—Spring and Fall—sessions. The Spring session begins on 10 March and ends on 30 June. The Fall session begins on 10 September and ends on 23 December. The Seimas may adopt a resolution on prolonging the sessions.

Extraordinary sessions are convened by the Seimas chairman at the proposal of no less than one-third of all the Seimas members, and in the cases provided by the constitution—by the republic's president.

Article 65.

The newly elected Seimas is convened by the republic's president for its first meeting, which must be held no later than 15 days after election of the Seimas. If the president of the republic does not convene the Seimas, the Seimas members gather by themselves on the next day after the 15-day period has elapsed.

Article 66.

The chairman of the Seimas and his deputy preside over the Seimas meeting.

The first meeting of the Seimas after the elections is called to order by the oldest Seimas member (by age).

Article 67.

The Seimas:

- 1) discusses and adopts amendments to the constitution;
- 2) issues laws;
- 3) adopts resolutions in regard to referenda;
- 4) schedules elections for President of the Lithuanian Republic;
- 5) ratifies state institutions provided by law, and also appoints and dismisses their leaders;
- 6) approves or rejects the candidates for prime minister submitted by the republic's president;
- 7) reviews the Government Program submitted by the prime minister and makes the decision regarding its ratification;
- 8) at the proposal of the Government, forms or disbands ministries of the Lithuanian Republic;
- 9) implements control over the activity of the Government, and may express a vote of no confidence in the prime minister or in a minister;

- 10) appoints judges to the Constitutional Court and the Supreme Court, as well as the chairmen of these courts;
- 11) appoints and dismisses the State Controller and the Bank of Lithuania governing board chairman;
- 12) schedules elections for the Self-Government Councils;
- 13) forms the Main Electoral Commission and introduces changes in its membership;
- 14) ratifies the state budget and implements control over its fulfillment;
- 15) establishes state taxes and other mandatory payments;
- 16) ratifies and denounces international agreements of the Lithuanian Republic and reviews other questions of foreign policy;
- 17) establishes the administrative apportionment of the republic;
- 18) ratifies state awards of the Lithuanian Republic;
- 19) issues statutes on amnesty;
- 20) introduces direct rule, martial law and state of emergency, announces mobilization and makes the decision regarding use of armed forces.

Article 68.

The right of legislative initiative in the Seimas belongs to the Seimas members, the President of the Republic and the Government.

The citizens of the Lithuanian Republic also have the right of initiative. 50,000 citizens who have the electoral right may submit a draft law to the Seimas, which the Seimas is obligated to review.

Article 69.

Laws are adopted in the Seimas with adherence to the procedure established by law.

Laws are considered adopted if the majority of the Seimas members participating in the meeting has voted for them.

Constitutional laws of the Lithuanian Republic are adopted if over half of all the Seimas members votes for them, and amendments may be introduced by a majority of votes of no less than three-fifths of the total number of Seimas members. The list of constitutional laws is established by the Seimas by a majority of votes of three-fifths of the total number of Seimas members.

Legal statutes of the Lithuanian Republic may also be adopted by referendum.

Article 70.

The laws adopted by the Seimas become effective after they are signed and officially publicized by the Lithuanian Republic President, provided the laws themselves do not establish a later date of introduction.

Other acts adopted by the Seimas and the Seimas Statute are signed by the Seimas chairman. These statutes become effective the following day after their publication, provided the statutes themselves do not establish a different procedure for their introduction.

Article 71.

The President of the Republic, no later than within a 10-day period after receipt of a law adopted by the Seimas, must either sign and officially publicize it or return it to the Seimas with the appropriate motivation for further review.

If the Lithuanian Republic President does not return and does not sign the law adopted by the Seimas within the indicated period, such a law goes into effect after its signing and official publication by the Seimas chairman.

A law or other statute adopted by means of referendum must be signed and officially publicized by the republic's president no later than within a five-day period.

If the republic's president does not sign and publicize such a law within the specified period, the law goes into effect after it is signed and officially publicized by the chairman of the Seimas.

Article 72.

The Seimas may reconsider and adopt a law which has been returned by the republic's president.

A law reviewed by the Seimas a second time is considered adopted if the changes and amendments presented by the republic's president are adopted, or if over one-half of the total number of Seimas members voted for the law, or in the case of a constitutional law—at least three fifths of all the Seimas members.

The president of the republic is obligated to sign and promptly officially publicize such laws no later than within a period of three days.

Article 73.

Complaints of citizens regarding abuses of authority or bureaucratism on the part of state officials (with the exception of judges) and officials of self-governments are reviewed by the Seimas controllers. They have the right to introduce proposals to the court regarding the dismissal of the guilty officials from their occupied positions.

The powers and authorities of the Seimas controllers are established by law.

If necessary, the Seimas may also create other institutions of control. Their system and powers and authorities are established by law.

Article 74.

The president of the republic, the chairman and judges of the Constitutional Court, the chairman and judges of the Supreme Court, the chairman and judges of the Appellate Court, and the members of the Seimas, in cases of gross violation of the constitution or violation of their oath, as well as in the case of committing a crime, may be relieved from their occupied positions and deprived of the mandate of Seimas member by a majority vote of three-fifths of the total number of Seimas members. This is implemented in the order of an impeachment process, which is defined by the Seimas Statute.

Article 75.

Officials appointed or elected by the Seimas, with the exception of the persons specified in Article 74 of the

constitution, are dismissed from their duties in case of a vote of no confidence expressed in them by the Seimas, by a majority of votes of all the Seimas members.

Article 76.

The structures and procedure of operation of the Seimas are established by the Seimas Statute. The Seimas Statute has the power of law.

CHAPTER VI

PRESIDENT OF THE REPUBLIC

Article 77.

The president of the republic is the leader of the state.

He represents the Lithuanian state and fulfills all the responsibilities entrusted to him by the constitution and the laws.

Article 78.

Any citizen of Lithuania by origin, who has resided in Lithuania for at least the last three years, may be elected president of the republic, provided he is at least 40 years of age on the day of the elections and that he may be elected a member of the Seimas.

The president of the republic is elected by the citizens of the Republic of Lithuania for a term of five years on the basis of a general, equal and direct electoral right, and by means of secret ballot.

The same person may be elected president of the republic to no more than two consecutive terms.

Article 79.

A person who meets the requirements set forth in part one of Article 78 and who has collected at least 20,000 voter signatures may register as candidate for president of the republic.

The number of candidates to the office of president of the republic is not limited.

Article 80.

Regular elections of president of the republic are held on the last Sunday two months prior to expiration of the term of the current republic president.

Article 81.

A candidate is considered elected to the post of republic president if during the first vote and with participation of no less than half of all voters he has received over half the votes of all electors taking part in the elections. If less than half of all electors have taken part in the elections, a candidate is considered elected if he has received the largest number of votes, but no less than one-third of the votes of all electors.

If no candidate receives the necessary majority of votes in the first round of voting, a second (run-off) election will be held in two weeks between the two candidates receiving the largest number of votes. A candidate is considered elected if he has received the largest number of votes.

If there are no more than two candidates participating in the first round of voting, and neither of them receives the necessary number of votes, repeat elections shall be held.

Article 82.

The elected president of the republic begins fulfillment of his responsibilities on the day after the republic president's term expires, after he has taken an oath to the People, in Vilnius and with participation of the people's representatives—the members of the Seimas—to remain true to the Lithuanian Republic and the Constitution, to faithfully fulfill his responsibilities, and to be equally fair to all.

A re-elected president of the republic must also take the oath.

The statute on swearing in of the republic president is signed by him and by the chairman of the Constitutional Court, and in his absence—by one of the judges of the Constitutional Court.

Article 83.

The president of the republic may not be a member of the Seimas, may not hold any other offices or receive any other salary, with the exception of the salary set for the president and payment for artistic activity.

A person who has been elected president of the republic must cease his activity in political parties and political organizations until the beginning of the new presidential election campaign.

Article 84.

The president of the republic:

- 1) resolves vital questions of foreign policy and, in conjunction with the Government, implements foreign policy;
- 2) signs international agreements of the Lithuanian Republic and presents them to the Seimas for ratification;
- 3) upon nomination of the Government, appoints and dismisses diplomatic representatives of the Lithuanian Republic in foreign states and to international organizations; accepts credentials and letters of recall of diplomatic representatives of foreign states; bestows higher diplomatic ranks and special titles;
- 4) with the approval of the Seimas, appoints the prime minister and assigns him the task of forming the Government and ratifies its membership;
- 5) with the approval of the Seimas, dismisses the prime minister;
- 6) after election of the new Seimas, assumes the powers and authorities laid down by the Government and assigns it the task of fulfilling its responsibilities until the formation of a new Government;
- 7) accepts the resignation of the Government and if necessary assigns it the continued fulfillment of responsibilities or assigns one of the ministers the responsibilities of the prime minister until the formation of a new Government; accepts the resignations of ministers and may assign them the task of fulfilling their responsibilities until a new minister is appointed;

8) in the case of resignation of the Government or the laying down by the Government of its powers and authorities, submits the candidacy of a prime minister for review by the Seimas within a period of no more than 15 days;

9) upon nomination by the prime minister, appoints and dismisses ministers;

10) in accordance with the established procedure, appoints and dismisses state officials as provided by law;

11) presents candidates for Supreme Court judges to the Seimas, and after appointment of all Supreme Court judges, submits to the Seimas the candidate for Supreme Court chairman; appoints judges to the Court of Appeals, and from among them—chairman of the Court of Appeals, if their candidacies are approved by the Seimas; appoints judges and chairmen of district and appellate courts, and re-assigns them; in the cases specified by law, introduces to the Seimas proposals on dismissal of judges;

12) submits to the Seimas candidates for three Constitutional Court judgeships, and after appointment of all Constitutional Court judges, nominates from among them the candidate for chairman of the Constitutional Court;

13) nominates candidates for State Controller and Bank of Lithuania governing board chairman to the Seimas; may introduce to the Seimas the notion of expressing a vote of no confidence in them;

14) with the approval of the Seimas, appoints and dismisses the commander of the armed forces and the head of the security service;

15) bestows higher military ranks;

16) in the case of armed attack posing a threat to the sovereignty or territorial integrity of the state, makes the decision regarding defense against armed aggression, the introduction of martial law, as well as mobilization, and presents these decisions for ratification at the next meeting of the Seimas;

17) in accordance with the procedure and cases established by law, declares a state of emergency and presents this decision for ratification at the next meeting of the Seimas;

18) addresses the Seimas with annual reports on the state of affairs in Lithuania, and on the domestic and foreign policy of the Lithuanian Republic;

19) in the cases specified by the constitution, convenes an extraordinary session of the Seimas;

20) announces regular elections of the Seimas, and in the cases specified by part two, Article 58 of the constitution—announces special elections of the Seimas;

21) in accordance with the procedure specified by law, accepts persons into Lithuanian Republic citizenship;

22) bestows state awards;

23) grants amnesty to convicted persons;

24) signs and publicizes laws adopted by the Seimas or returns them to the Seimas in accordance with the procedure established by Article 71 of the Constitution.

Article 85.

The president of the republic, in implementing the powers and authorities granted to him, issues statute-decrees. To give force to the decrees issued by the president of the republic specified in points 3, 15, 17, and 21 of Article 84 of the Constitution, they must be signed by the prime minister or the appropriate minister. The responsibility for such a decree is placed upon the prime minister or minister signing it.

Article 86.

The person of the president of the republic is inviolable. As long as he is fulfilling his responsibilities, he may not be arrested or brought to criminal or administrative responsibility.

The president of the republic may be removed from his duties prior to expiration of his term only in the case of his gross violation of the constitution or his oath of office, and also if it becomes apparent that he has committed a crime. The question of removing the president of the republic from his responsibilities is resolved by the Seimas in the order of the impeachment process.

Article 87.

Upon announcement of unscheduled elections of the Seimas by the republic's president in the cases provided by part two, Article 58 of the Constitution, the newly elected Seimas, by a majority of votes of three-fifths of the total Seimas membership, may announce early elections of the republic's president within 30 days from the day of its first meeting.

The president of the republic who has expressed the desire to participate in the elections must immediately register as a candidate.

A president of the republic who is re-elected at such elections is considered to have been elected for a second term of office, if prior to the elections he had served more than three years of his first term. If less than three years has passed since his election to the first term, the president of the republic is elected only for the time remaining from his first term of office, which is then not considered to be a second term of office.

If the early elections for president of the republic are announced during his second term of office, the current president may be elected only for the term remaining from his second term of office.

Article 88.

The powers and authorities of the republic's president cease in the case of:

- 1) expiration of the term for which he had been elected,
- 2) holding early elections for president of the republic,
- 3) retirement from his occupied position;
- 4) death of the president of the republic;

5) his removal from responsibilities by the Seimas in the order of the impeachment process;

6) the Seimas's adoption, with consideration for the conclusion of the Constitutional Court and by a majority of votes of three-fifths of the total Seimas membership, of a

resolution stating that the state of health of the republic's president does not permit him to fulfill his duties.

Article 89.

In the case of death or retirement of the president of the republic, his removal from responsibilities in the order of the impeachment process, or in the case of the Seimas's adoption of a resolution on the president's inability to fulfill his responsibilities due to his state of health, his duties are temporarily fulfilled by the Seimas chairman. In this case, the Seimas chairman gives up his powers and authorities in the Seimas, where his duties, at the assignment of the Seimas, are temporarily performed by his deputy. In the above-listed cases, the Seimas must schedule elections for president of the republic within a period of 10 days. These elections must be held no later than within two months. If the Seimas cannot meet and schedule elections for president of the republic, the elections are announced by the government.

The president of the republic who has temporarily gone abroad or become ill, and in connection with this is temporarily unable to perform his duties, is replaced for this time by the chairman of the Seimas.

The Seimas chairman who is temporarily replacing the president of the republic may not announce unscheduled elections of the Seimas, dismiss or appoint ministers without consent of the Seimas. In this period, the Seimas may not review the question of expressing a vote of no confidence in the Seimas chairman.

Exercising the powers and authorities of the president of the republic is not permitted in any case by any other persons or institutions.

Article 90.

The president of the republic maintains a residence. The financing of the republic's president and his residence is established by law.

CHAPTER VII

GOVERNMENT OF THE LITHUANIAN REPUBLIC

Article 91.

The government of the Lithuanian Republic is comprised of the prime minister and the ministers.

Article 92.

The prime minister is appointed and dismissed by the president of the republic with the approval of the Seimas.

Upon nomination by the prime minister, ministers are appointed and dismissed by the president of the republic.

Within 15 days from the moment of his appointment, the prime minister submits to the Seimas the Government formed by him and ratified by the republic's president, and also presents the Government Program for review.

The government lays down its powers and authorities before the president of the republic after elections of the Seimas or in the case of election of the republic president.

The new government receives its powers and authorities for implementing its activity if its program is approved by a majority of votes of the Seimas members participating in the Seimas meeting.

Article 93.

Prior to embarking upon fulfillment of their duties, the prime minister and the ministers swear an oath in the Seimas to be true to the Lithuanian Republic and to uphold the constitution and the laws. The text of the oath is established by the Law on the Government.

Article 94.

The Lithuanian Republic government

1) manages the affairs of the land, protects the territorial inviolability of the Lithuanian Republic, guarantees state security and public order;

2) fulfills the laws and resolutions of the Seimas on implementation of laws, as well as the decrees of the republic's president;

3) coordinates the activity of the ministers and other governmental institutions;

4) prepares a draft of the state budget and submits it to the Seimas; executes the state budget, and presents a report on fulfillment of the budget to the Seimas;

5) prepares draft laws and submits them to the Seimas for review;

6) establishes diplomatic relations and maintains relations with foreign states and international organizations;

7) fulfills other responsibilities placed upon the government by the constitution and other laws.

Article 95.

The government of the Lithuanian Republic resolves questions of state administration at meetings by means of adopting resolutions by a majority of votes of all the members of the government. The State Controller may also participate in meetings of the government.

The government resolutions are signed by the prime minister and the minister of the appropriate sector.

Article 96.

The government of the Lithuanian Republic bears sole responsibility before the Seimas for the overall activity of the government.

The ministers, in implementing management over the spheres of administration assigned to them, bear responsibility before the Seimas and the president of the republic, and are directly answerable to the prime minister.

Article 97.

The prime minister represents the Lithuanian Republic Government and manages its activity.

In the absence of the prime minister, or if it is impossible for him to perform his duties, the president of the republic assigns one of the ministers, upon nomination by the prime minister, to replace him for no longer than 60 days.

and in the absence of such a nomination the president of the republic assigns one of the ministers to replace the prime minister.

Article 98.

The minister manages the ministry, resolves questions relating to the competency of the ministry, and also fulfills other functions specified by law.

Only another member of the government appointed by the prime minister may replace a minister.

Article 99.

The prime minister and the ministers may not hold any other elected or appointed positions, work in entrepreneurial, commercial or other private institutions or enterprises, or receive any other salary except for the one established in accordance with their duties in the government, as well as payment for creative activity.

Article 100.

The prime minister and the ministers may not be brought to criminal responsibility, arrested, or their freedom limited by any other means without preliminary consent of the Seimas, and in the period between sessions of the Seimas—without the preliminary consent of the republic president.

Article 101.

Upon demand of the Seimas, the government or individual ministers must report on their activity to the Seimas.

If over half of the ministers are replaced, the government must again obtain its powers and authorities from the Seimas. Otherwise, the government must offer its resignation.

The government must offer its resignation in the following cases:

- 1) if the Seimas does not approve the program of the newly formed government two times in a row;
- 2) if the Seimas, by a majority of votes of all the Seimas members and by secret ballot, expresses a vote of no confidence in the government or the prime minister;
- 3) in case of retirement or death of the prime minister;
- 4) after elections of the Seimas, when a new government is formed.

The minister must submit his resignation if he receives a vote of no confidence from over half of all the Seimas members, voting by secret ballot.

The resignation of the government or a minister is accepted by the president of the republic.

CHAPTER VIII

CONSTITUTIONAL COURT

Article 102.

The Constitutional Court makes decisions on the correspondence of laws and other statutes of the Seimas to the constitution, and of statutes of the republic's president and the government—to the constitution or the laws.

The status of the Constitutional Court and the order of implementing its powers and authorities are established by the Lithuanian Republic Law on the Constitutional Court.

Article 103.

The Constitutional Court consists of nine judges, appointed for a term of nine years, and for only one term. One-third of the Constitutional Court's membership is renewed every three years. Three candidates for Constitutional Court judge are appointed by the Seimas from among the candidates nominated by the president of the republic, the chairman of the Seimas, and the chairman of the Supreme Court, and they are appointed as judges by the Seimas.

The chairman of the Constitutional Court is appointed from among the judges of this court by the Seimas, upon nomination by the republic's president.

Citizens of the Lithuanian Republic with a flawless reputation, who have a higher juridical education and at least 10 years experience in juridical or scientific-pedagogical work with specialty as a jurist, may be appointed Constitutional Court judges.

Article 104.

Constitutional Court judges are independent of any state institution, person or organization in the fulfillment of their responsibilities, and are guided only by the Lithuanian Republic Constitution.

Before embarking upon the fulfillment of their duties, Constitutional Court judges swear an oath in the Seimas to be true to the Lithuanian Republic and the constitution.

Limitations on work and political activity are imposed in regard to Constitutional Court judges, as established for court judges.

Constitutional Court judges have the same right of personal inviolability as the members of the Seimas.

Article 105.

The Constitutional Court reviews and makes decisions regarding the correspondence of Lithuanian Republic laws and other statutes adopted by the Seimas to the Lithuanian Republic Constitution.

The Constitutional Court also reviews the correspondence to the constitution and the laws by the following:

- 1) statutes issued by the republic's president;
- 2) statutes issued by the republic's government.

The Constitutional Court presents conclusions in regard to the following:

- 1) whether violations of the law on elections occurred in the course of elections of the republic's president and the members of the Seimas;
- 2) whether the republic president's state of health allows him to continue fulfillment of his duties;
- 3) whether the international agreements of the Lithuanian Republic contradict the constitution;

4) whether specific actions by members of the Seimas and state officials, in regard to whom impeachment proceedings have been instituted, contradict the constitution.

Article 106.

The government, no less than one-fifth of all the members of the Seimas, as well as the courts have the right of appeal to the Constitutional Court regarding the statutes specified in part one of Article 105.

No less than one-fifth of all the Seimas members and the courts have the right of appeal to the Constitutional Court regarding the correspondence of statutes issued by the president to the republic's constitution.

No less than one-fifth of all the Seimas members, the courts, as well as the president of the republic have the right of appeal to the Constitutional Court regarding the correspondence of statutes issued by the government to the constitution and the laws.

A presentation by the republic's president to the Constitutional Court or a resolution of the Seimas regarding the review of correspondence of a statute to the constitution stops the effectiveness of this statute.

The Seimas may petition the Constitutional Court regarding the issuance of a decision, and the president of the republic may also petition it regarding elections of the Seimas and international agreements.

The Constitutional Court has the right to refuse to review a case or to prepare a conclusion if the appeal is not legally motivated.

Article 107.

A Lithuanian Republic law (or its part), or any other statute issued by the Seimas (or its part), statute issued by the president of the republic, or statute issued by the government (or its part) may not be applied from the day of official proclamation of the Constitutional Court's decision as to the contradiction of the said act (or its part) to the Lithuanian Republic Constitution.

The decisions of the Constitutional Court on questions related by the constitution to its competence are final and not subject to appeal.

On the basis of the Constitutional Court's conclusions, final decisions regarding the questions specified in part three, Article 105 of the constitution, are made by the Seimas.

Article 108.

The powers and authorities of a Constitutional Court judge shall cease:

- 1) upon expiration of his term of office;
- 2) in case of his death;
- 3) in case of his retirement;
- 4) if it becomes impossible for him to fulfill his duties due to health reasons;
- 5) if he is removed by the Seimas from his occupied position in the order of the impeachment process.

CHAPTER IX

THE COURT

Article 109.

Jurisprudence in the Lithuanian Republic is implemented only by the courts.

Judges and courts are independent in implementing jurisprudence.

Judges are subordinate only to the law in their review of cases.

The court issues a decision in the name of the Lithuanian Republic.

Article 110.

A judge may not invoke a law which contradicts the constitution.

In those cases where there is reason to believe that a law or some other legal statute which must be applied in a specific case contradicts the constitution, the judge stops the review of this case and appeals to the Constitutional Court with a request to issue a decision regarding the correspondence of this law or other legal statute to the constitution.

Article 111.

The courts in the Lithuanian Republic are the Lithuanian Supreme Court, the Lithuanian Court of Appeals, the district and appellate courts.

Specialized courts may be instituted to review cases on administrative, labor, or family cases and on cases of other categories in accordance with the law.

Courts with special powers and authorities may not be instituted in the Lithuanian Republic in peacetime.

The formation and competence of courts is determined by the Lithuanian Republic Law on Courts.

Article 112.

Only citizens of the Lithuanian Republic may serve as judges in Lithuania.

Supreme Court judges, and from among them also a chairman—are appointed and dismissed by the Seimas upon nomination by the president of the republic.

Court of Appeals judges, and from among them also a chairman—are appointed by the president of the republic with the approval of the Seimas.

The appointment of judges and chairmen of appellate, district and specialized courts and their re-assignment are performed by the president of the republic.

The president of the republic receives advice regarding the appointment, promotion, transfer or dismissal of judges from their duties from a special judicial institution as provided by law.

A person who has been appointed judge must, in accordance with the procedure established by law, swear an oath to be true to the Lithuanian Republic and to exercise jurisprudence strictly in accordance with the law.

Article 113.

A judge may not hold any other elected or appointed positions, work in entrepreneurial, commercial or other private institutions or enterprises. He also may not receive any other salary except for his judge's salary and payment for pedagogical or creative activity.

A judge may not participate in the activity of political parties and other political organizations.

Article 114.

Intervention by the institutions of state power and administration, by members of the Seimas and other officials, by political parties, political and social organizations or by citizens in the activity of a judge or court is prohibited and entails the responsibility specified by law.

A judge may not be brought to criminal responsibility or arrested, and his freedom may not be limited by any other means without the consent of the Seimas, and in the period between Seimas sessions—without the consent of the Lithuanian Republic President.

Article 115.

Judges of Lithuanian Republic courts are dismissed from their duties in the order established by law in the following cases:

- 1) at their own request;
- 2) upon expiration of their term of office or upon reaching retirement age as established by law;
- 3) in accordance with their state of health;
- 4) if they are elected to another position or transferred to another job with their consent;
- 5) if they commit an act which is defamatory to the title of judge;
- 6) if accusatory court sentences regarding them go into legal effect.

Article 116.

The chairman and judges of the Supreme Court, as well as the chairman and judges of the Court of Appeals, in case of gross violation of the constitution or violation of their oath, and also upon determination of the fact of committing a crime, may be dismissed from their duties by the Seimas in the order of the impeachment process.

Article 117.

Trials in all courts are conducted openly. A judicial session may be closed for purposes of protecting the privacy of a person's private or family life, and also if a state, professional or commercial secret may be exposed during an open review of the case.

Judicial proceedings in the Lithuanian Republic are conducted in the state language.

Persons who do not have a mastery of the Lithuanian language are guaranteed the right to participate in investigative and judicial actions through an interpreter.

Article 118.

Prosecutors support the state accusation in criminal cases, conduct criminal prosecution, and implement control over the activity of the inquest agencies.

The preliminary investigation is conducted by investigators.

The procedure for appointing prosecutors and investigators and their status are defined by law.

CHAPTER X**LOCAL SELF-GOVERNMENT AND ADMINISTRATION****Article 119.**

The right to self-government is guaranteed by state territorial-administrative units specified by law. It is implemented through the appropriate self-government councils.

The members of the self-government councils are elected for a term of two years by the population of the administrative unit—the citizens of the Lithuanian Republic—on the basis of a general, equal, and direct electoral right, and by secret ballot.

The order of organization and activity of the self-government institutions is established by law.

For purposes of direct implementation of Lithuanian Republic laws and the decisions of the government and the self-government councils, the self-government council forms executive organs which are answerable to it.

Article 120.

The state gives support to the self-governments.

The self-governments, within the limits of their competency as established by the constitution and the laws, act freely and independently.

Article 121.

Self-governments compile and ratify their own budget.

The self-government councils have the right, within the limits and procedures specified by law, to establish local revenue collections. The self-government councils may also provide for tax and duty benefits at the expense of their budget.

Article 122.

The self-government councils have the right to appeal to a court in connection with violation of their rights.

Article 123.

Management within the higher level administrative units is organized by the government in the order specified by law.

Control over adherence by the self-governments to the constitution and the laws, and to the fulfillment of government decisions, is implemented by the government-appointed representatives.

The powers and authorities of the government representative and the order of their implementation are established by law.

The Seimas may temporarily introduce direct rule on the territory of the self-government in the cases and order established by law.

Article 124.

The statutes and actions of the self-government councils, their executive agencies, as well as their officials, which violate the rights of citizens and organizations may be appealed in court.

CHAPTER XI

FINANCES AND THE STATE BUDGET

Article 125.

The central bank in the Lithuanian Republic is the Bank of Lithuania, which belongs to the Lithuanian state on the right of ownership.

Only the Bank of Lithuania has the right of monetary emission.

The order of organization and activity of the Bank of Lithuania, as well as its powers and authorities, are established by law.

Article 126.

The management of the Bank of Lithuania is implemented by the bank's governing board, comprised of its chairman, deputy chairmen and members.

The Bank of Lithuania governing board chairman is appointed for a term of five years by the Seimas upon nomination by the president of the republic.

Article 127.

Lithuania's budget system is comprised of the independent Republic of Lithuania State Budget, as well as the independent budgets of the local self-governments.

The state budget revenues are formulated through taxes, mandatory payments, duties, income from state property and other proceeds.

Taxes, other payments to the budget, and duties are established by Lithuanian Republic laws.

Article 128.

The decisions regarding the state loan and other significant property obligations of the state are adopted by the Seimas at the proposal of the government.

The order of administration, application and management of state property is established by law.

Article 129.

The fiscal year begins on 1 January and ends on 31 December.

Article 130.

The draft of the state budget is compiled by the government and submitted to the Seimas no later than 75 days prior to completion of the fiscal year.

Article 131.

The state draft budget is reviewed by the Seimas and ratified by law prior to the start of the new fiscal year.

In reviewing the draft budget, the Seimas may increase expenditures only at the instruction of the sources for financing these expenditures. It may not reduce expenditures specified by law prior to introduction of amendments into these laws.

Article 132.

If the state budget is not ratified in time, its expenditures at the start of the fiscal year for each month cannot exceed one-twelfth the amount of the state budget expenditures for the preceding year.

In the course of the fiscal year, the Seimas may introduce changes into the budget. Changes in the budget are introduced in the same procedure, in accordance with which it was compiled, adopted and ratified. If necessary, the Seimas may ratify a supplemental budget.

CHAPTER XII

STATE CONTROL

Article 133.

The system of state control and its powers and authorities are established by law.

Management of state control is implemented by the State Controller, who is appointed for a term of five years by the Seimas, upon nomination by the president of the republic.

The State Controller, prior to embarking upon fulfillment of his responsibilities, must swear an oath. The oath is established by law.

Article 134.

State control implements supervision over the legality of management of state property and its application, and over the application of the state budget.

The State Controller submits to the Seimas a conclusion on the annual report of budget fulfillment.

CHAPTER XIII

FOREIGN POLICY AND DEFENSE OF THE STATE

Article 135.

In implementing its foreign policy, the Lithuanian Republic is guided by generally accepted principles and standards of international law. It strives to ensure the safety and independence of the country, the prosperity of the citizens and their basic rights and freedoms, and participates in the creation of an international order founded on law and jurisprudence.

War propaganda in the Lithuanian Republic is prohibited.

Article 136.

The Lithuanian Republic participates in international organizations, provided this does not contradict the interests of the state and its independence.

Article 137.

No weapons of mass destruction or military bases of foreign states may be located on the territory of the Lithuanian Republic.

Article 138.

The Seimas ratifies or denounces the following international agreements of the Lithuanian Republic:

- 1) on the change in the Lithuanian Republic state boundary;
- 2) on political cooperation with foreign states, on mutual aid, as well as agreements of a defensive character associated with the defense of the state;
- 3) on the rejection of application of force or threat of force, as well as peace agreements;
- 4) on the presence and status of Lithuanian Republic armed forces on the territory of foreign states;
- 5) on participation of the Lithuanian Republic in international organizations of a universal character and in regional international organizations;
- 6) multilateral or long-term economic agreements.

Laws, as well as international agreements, may also provide for other cases of the Seimas's ratification of Lithuanian Republic international agreements.

International agreements ratified by the Lithuanian Republic Seimas are a component part of the Lithuanian Republic legal system.

Article 139.

The defense of the Lithuanian state against foreign armed attack is the right and duty of each citizen of the Lithuanian Republic.

Citizens of the Lithuanian Republic must perform military or alternative service for defense of the land in the order established by law.

Organization of defense of the land is established by the laws.

Article 140.

Vital questions of state defense are reviewed and coordinated by the State Defense Council, whose membership includes the president of the republic, the prime minister, the chairman of the Seimas, the minister of defense of the land and the commander of the armed forces. The leadership of the State Defense Council is performed by the president of the republic. The procedure of its formation, activity and powers and authorities are established by law.

The president of the republic is the commander-in-chief of the state's armed forces.

The government, the minister of defense of the land, and the commander of the armed forces bear responsibility before the Seimas for administration and management of the armed forces. The minister of defense of the land may not be a military man who is not retired.

Article 141.

Persons who are serving on active military duty or alternative service, as well as active (not retired) military servicemen within the system of defense of the land, the

policy and internal service, sergeants-at-arms, draftees, or paid officials of other militarized services and security services may not be members of the Seimas or members of the self-government councils. They may not hold any elected or appointed offices in state civil service, or participate in the activity of political parties and political organizations.

Article 142.

The Seimas declares martial law, announces mobilization or demobilization, makes the decision to use the armed forces in case of need to defend the Homeland or fulfill the international obligations of the Lithuanian state.

In the case of armed attack or the emergence of a threat to the sovereignty or territorial integrity of the state, the president of the republic immediately makes the decision to defend against armed aggression, proclaims martial law in the entire state or in a part of it, announces mobilization and submits these decisions for ratification at the next meeting of the Seimas, and in the period between sessions—immediately convenes an extraordinary session of the Seimas. The Seimas ratifies or repeals the decision of the president of the republic.

Article 143.

If regular elections are to be held during military actions, the Seimas or the president of the republic makes the decision to prolong the term of powers and authorities of the Seimas, the president of the republic or the self-government councils. In that case, the elections are scheduled no later than three months after the end of the war.

Article 144.

If a threat to the constitutional order or public tranquility arises in the state, the Seimas may proclaim a state of emergency on all or part of the territory of the state. Its duration may be up to six months.

In the period between Seimas sessions, in emergency cases the president of the republic has the right to make such a decision, at the same time convening an extraordinary session of the Seimas to review this question. The Seimas ratifies or declines the republic president's decision.

A state of emergency is regulated by law.

Article 145.

When martial law or a state of emergency is proclaimed, the rights and freedoms indicated in Articles 22, 24, 25, 32, 35 and 36 of the constitution may be temporarily limited.

Article 146.

The state cares and provides for soldiers who have impaired their state of health in serving military service, as well as for the families of soldiers who have perished or lost their lives in the performance of their military service.

The state also provides for citizens who have lost their health as a result of participating in the defense of the state, as well as the families of citizens who have perished or lost their lives as a result of participating in the defense of the state.

CHAPTER XIV

AMENDING THE CONSTITUTION

Article 147.

A group of Seimas members comprised of no less than one-fourth of the total number of Seimas members, or no less than 300,000 electors, have the right to introduce to the Seimas a proposal regarding changing or amending the Lithuanian Republic Constitution.

No amendments may be introduced to the constitution during the time of a state of emergency or martial law.

Article 148.

The principle stated in Article 1 of the constitution, "the Lithuanian state is an independent democratic republic," may be amended only by means of a referendum, if no less than three-fourth of the citizens of Lithuania who have the electoral right speak out in favor of this.

The principles stated in Chapter I, "The Lithuanian State" and Chapter XIV, "Amendments to the Constitution," may only be changed by means of a referendum.

Constitutional amendments on other chapters of the constitution must be reviewed, and the Seimas must vote on them two times. There must be at least a three month break between these votes. A draft law on amending the constitution is considered adopted by the Seimas, if in each vote no less than two-thirds of all the Seimas members vote for it.

A constitutional amendment which is not adopted may be presented for new review by the Seimas no sooner than in one year.

Article 149.

An adopted law on amending the constitution is signed by the president of the republic and officially publicized no later than within a five-day period.

If such a law is not signed and not publicized by the president of the republic within the specified time, this law is introduced into effect after its signing and official publication by the Seimas chairman.

The law on amendment to the constitution becomes effective no sooner than one month after its adoption.

CONCLUDING PRINCIPLES

Article 150.

The following represent a component part of the Lithuanian Republic Constitution:

The constitutional law, "On the Lithuanian State," dated 11 February 1991;

The constitutional statute, "On the Non-Adhesion of the Lithuanian Republic to Post-Soviet Eastern Unions," dated 8 June 1992.

Article 151.

The present Lithuanian Republic Constitution becomes effective on the day following the official publication of results of the referendum and under the condition that it is

approved at the referendum by over half of all citizens of the Lithuanian Republic who hold the electoral right.

Article 152.

The procedure for implementation of the present constitution and its individual principles is regulated by the Lithuanian Republic law, "On the Order of Implementing the Lithuanian Republic Constitution," which is adopted by means of a referendum simultaneously with the present Lithuanian Republic Constitution.

Article 153.

In the case of adoption of the present Lithuanian Republic Constitution by means of referendum, the Lithuanian Republic Seimas may, prior to 25 October 1993, by a majority of votes of three-fifths of all the Seimas members, amend the principles of the Lithuanian Republic Constitution contained in Articles 47, 55, 56, in point 2, part two of Article 58, in Articles 65, 68, 69, in points 11 and 12 of Article 84, in part one of Article 87, in Articles 96, 103 and 118, and in part four of Article 119.

Article 154.

The Lithuanian Republic Constitution and the Lithuanian Republic law, "On the Order of Implementing the Lithuanian Republic Constitution," adopted by means of referendum, are to be signed and publicized by the Lithuanian Republic Supreme Council chairman no later than within a 15-day period.

[Signed] Lithuanian Republic Supreme Council Chairman
Vitautas Landsbergis
Vilnius, 6 November 1992

Law Implementing Constitution

935D0131B Vilnius EKHO LITVY in Russian
10 Nov 92 p 1

[Lithuanian Republic law, "On the Order of Implementing the Lithuanian Republic Constitution," signed by Lithuanian Republic Supreme Council Chairman Vitautas Landsbergis in Vilnius on 6 November 1992]

[Text]

Article 1.

With the implementation of the Lithuanian Republic Constitution, the Lithuanian Republic Provisional Basic Law is no longer effective.

Article 2.

Laws and other legal statutes or their parts which had been in effect on the territory of the Lithuanian Republic prior to adoption of the Lithuanian Republic Constitution are valid in that measure to which they do not contradict the constitution and the present law, and retain their force until they are declared invalid or until they are brought into correspondence with the principles of the constitution.

Article 3.

The principles of the Lithuanian Republic laws regulating the status of the higher institutions of state power and administration of the Lithuanian Republic, the deputies and self-government councils shall remain in effect until the elected Seimas adopts a different decision.

Article 4. The term of office of the Lithuanian Republic Supreme Council and its deputies expires when the elected Seimas of the Lithuanian Republic gathers for its first meeting.

The members of the Lithuanian Republic Seimas gather for a meeting on the third work day after the Lithuanian Republic Main Electoral Commission officially announces the election of no less than three-fifths of all the Seimas members, elected after two rounds of voting.

Article 5.

The following text is established for the oath to be taken by a member of the Lithuanian Republic Seimas:

"I, (name, surname), do hereby swear to remain true to the Lithuanian Republic; I swear to respect and fulfill its constitution and laws and to protect the integrity of its lands; I swear to strengthen with all my might the independence of Lithuania, to honestly serve the Homeland, democracy, and the welfare of the people of Lithuania. So help me God!"

The oath may be taken without the last sentence.

Article 6.

In the period while there is still no president of the republic, this legal situation is tantamount to that which is specified by Article 89 of the Lithuanian Republic Constitution.

If necessary, the Seimas may prolong the terms specified in Article 89 by a majority of votes of over half of all the Seimas members, but for no longer than four months.

Article 7.

The judges of the Lithuanian Republic Constitutional Court, and from among them—the chairman of the Constitutional Court, must be appointed no later than within one month after election of the president of the republic.

In making the initial appointments of Constitutional Court judges, three of them shall be appointed for a term of three years, three for a term of six years, and three for a term of nine years.

The president of the republic, the chairman of the Seimas and the chairman of the Supreme Court, in making their proposals for appointment of judges to the Constitutional Court, specify which of them should be appointed for three, six and nine years.

The Constitutional Court judges who receive three and six year appointments may, after an interim of three years, occupy these positions for one more term.

Article 8.

The principles in part three, Article 20 of the Lithuanian Republic Constitution shall become effective from the moment the criminal-procedural legislation of the Lithuanian Republic is brought into accordance with this constitution.

[Signed] Lithuanian Republic Supreme Council Chairman
Vitautas Landsbergis
Vilnius, 6 November 1992

Kaunas Businessmen View Impact of Election Results

93UN0385B Vilnius TIESA in Lithuanian
11 Nov 92 p 4

[Interview with businessmen in Kaunas, by Virginija Vanagiene: "The Businessmen Were Not Surprised"]

[Text] How do the Kaunas Businessmen evaluate the situation in Lithuania after the first round of elections?

Antanas Pazera, director of the "Hermis" trade emporium:

It is very difficult to make sense of Lithuania's political situation, because the Sajudis communists are shouting that communists have come to power. These elections did not inspire any interest in me, because I had nobody to vote for. Many people were deceived, therefore it is not surprising that they remembered A. Brazauskas, who was demolishing the Soviet system several years ago.

Today a model of the (penal) zone has already been created in Lithuania: there is a master, several repressive services, watchtowers. We are told that we are free. But if I feel that I have a master who can dictate to me, then I am not free. Because of ill-conceived laws and the Government's mistakes, people who are enterprising are subjected to such conditions that they cannot make ends meet. This seems to be the Lithuanian character: even in the previous times they were dragging everything they could into Lithuania and therefore our country today has a western appearance. Now the situation is similar: you run away from the zone, you make some money, and then you come back again.

Kestutis Berteska, chairman of the Kaunas Chamber of Industry, Trade and Trades:

One must live and make use even of aggressive conditions. The LDDP (Lithuanian Democratic Labor Party), which has a technological and pragmatic potential, has grown up on our road to independence, has received some hard knocks and has purged itself, now can concentrate its forces and clearly form its program. I would welcome if they were to replace routine political games with concrete activity serving our economy.

The LDDP will have a decisive voice in forming the Government and therefore we would like to see its politics focused on free enterprise. We will try to promote our interests through various lobbies and will try to ensure that our people are employed at the higher level of government.

Arydas Stasaitis, president of the Lithuanian Businessmen's Association:

Following the change of government, nothing changes in society. A socialistically oriented society could not have been any different today. The parties should have no illusions that the businessmen will "build" socialism for them with their own money. We shall rely on individualism, self-dependence, and private initiative.

Stanislovas Nacius, actor, owner of the private coffee-house "Pegasus":

The former government has done everything to make the people turn away from it.

Dalia Teiserskyte, founder of the theater Grozis and editor of the magazine GABIJA:

The results of the voting did not surprise me at all, because Lithuanians are fond of concealed gestures of contempt. This time this "fig" gesture was like some revenge or a spitting counterattack on behalf of all those who were disillusioned, for the "privatization" of romanticism, patriotism, ascendance.

How can one vote for those who call you an enemy or a dog only because you state loudly what you think.

I am scared by other things: why were so few votes cast for intellect, freedom and property? I voted for the intellectuals and I am sad that they will not be in the Parliament. I do not think that the elections will solve everything. Everything will be decided by the freedom of personalities and by long, meticulous and free work.

Anatolijus Cupkovas, director of the joint-stock company GABIJA:

Nothing extraordinary has happened. After the first round of elections, the ultra-leftists or the national-radicals who call themselves Sajudis, the social democrats, and the LDDP have remained in the Parliament. The center has disappeared and the rightists, the representatives of private capital, could not even exist because they have not yet entered the elections. It will be a pity if the centrists will fail to overcome their ambitions and will not join the Government "for the sake of Lithuania." I am happy that A. Brazauskas has invited not only them but also our compatriots living abroad to work together.

It does not matter to me which political groupings will be in the government. What I need is the creation of normal conditions for work.

Past Mistakes in Energy Policy Scored

93UN0386A Vilnius TIESA in Lithuanian
10 Nov 92 p 2

[Article by Algirdas Strumskis: "A Tactical Error in the Energy Policy"]

[Text] Several days ago the Government set new prices for heating, gas and electrical power, to start on November 1. This governmental decision (NO. 818) was published in Thursday's TIESA. In Friday's press conference at the Ministry of Energy, the department director of this ministry, A. Macezinskiene, stated that this decision was "already obsolete." This was because the prices for electric power, heating and gas for Lithuanian consumers in the fourth quarter were estimated on our payment to Russia of 75 U.S. dollars for 1,000 cubic meters at the dollar-ruble rate of exchange of 1:300 in Russia's central bank. This means that by exchanging this sum into our coupons, one thousand cubic meters of gas had to cost 22,500.

Last Thursday, a Lithuanian delegation led by deputy prime minister B. Lubys concluded a final agreement with Russia's representatives that the price of gas would be 85 dollars for 1,000 cubic meters at the dollar-ruble exchange rate of 1:400 in Russia's central bank. And so the price of gas for Lithuania jumped to 34,000. This burden will have to be carried by our population. Therefore, according to A.

Macezinskiene, the ministry will propose to the Government already on Monday (yesterday—A.S.) that the prices for gas and electric power for the consumer be changed, i.e., raised. The idea that, perhaps, the heating price for the consumers should not be raised is under discussion. By the way, it seems that we will not have hot water this year. All Lithuanian energy system enterprises that produce electric power, provide heat, oil products and gas are at present in an extremely difficult financial situation. Up to the beginning of November of this year, the consumers owed the energy producers more than five billion coupons. Today, for instance, LIETUVOS KURAS (Lithuania's Fuel) has mazut available but there are no buyers. The general director of LIETUVOS KURAS, J. Ilkevicius, mentioned the following example during the press conference. The principal of the Aukstadvaris agricultural school arrived with 3 million coupons in hand, but he needs 600 tons of fuel to survive the winter. For this sum he can buy only 50-60 tons.

J. Ilkevicius is convinced that we were stuck in this bad situation concerning fuel because of our own internal troubles. The greatest tactical mistake in Lithuania's energy policy should be discussed in detail. By the way, it was the subject of extensive discussion at the press conference, too.

For many years Lithuania had good contacts with the Tyumen and Kogalym oil and gas enterprises. Deputy minister of energy, R. Tamosiunas, who took part in the negotiations between the delegation of the Government of Lithuania and Russia's representatives, asserted at the press conference that in 1991 at the beginning of 1992 the Government of Lithuania (G. Vagnorius was prime minister at that time) made a big tactical error—it renounced direct contacts and cooperation with the oil and gas enterprises. Previously, our energy producers and planners had even signed with the Tyumen region declarations of intent to receive large amounts of gas and oil. It should be mentioned here that the government of Russia had allowed the oil enterprises long ago to freely dispose of 10 percent of the oil produced. As part of the barter, the oilmen of Tyumen asked from Lithuania to deliver goods they needed and wanted to acquire shares in the Mazeikiu oil refinery. Moreover, the oilmen of Tyumen and Kogalym wanted an exit to Europe through Lithuania.

The Government of Lithuania refused to deal with the oilmen and focused exclusively on Russia's government, because it allegedly would be a more serious partner and would compel the enterprises to deliver whatever would be agreed upon with J. Gaidar's team. Unfortunately, the treaty of economic cooperation between Lithuania and Russia was observed but little and during the meeting between A. Abisala and J. Gaidar it was acknowledged that the treaty has expired on October 1 of this year. We were left without contacts with the enterprises and we also lost them with J. Gaidar's government, which is unstable and is following the dictates of the same enterprises. Moreover, according to R. Tamosiunas, there are two governments in Russia today: one is democratic (B. Yeltsin, J. Gaidar, A. Shokhin, G. Burbulis), with which Lithuania has managed to find a common language, and the other one is oppositional (A. Volsky, R. Khasbulatov, A. Rutskoy, V. Chernomyrdin, etc.) and is trying to impose categorical conditions on Lithuania. The latter group is today dominant in Russia's ministries and is telling us unequivocally: "You left the Union and you better stop knocking on those

doors; if you want to buy things—pay for it in dollars.” The enterprises may demand that we pay in dollars. And we are left without alternatives.

R. Tamosiunas has informed that in the memorandum that was signed in Moscow, Lithuania was compelled to acknowledge a debt of 2.6 billion coupons, although Russia had demanded that we pay 4.5 billion.

Where did this disparity come from? Here is one example. At the signing of the treaty of economic cooperation between Lithuania and Russia at the governmental level it was agreed that both countries would consistently move toward world prices: the prices for production delivered from Lithuania and for the fuel received from Russia would be increased each month. The oilmen did not recognize this agreement between Lithuania and Russia from its very outset and delivered oil to Lithuania not for 540 rubles, as the governments had agreed, but demanded the payment of 11,300 rubles beginning with January 1, 1992. Lithuania paid 513, from March 15—3.5 thousand, and from May 1—4.5 thousand for a ton of oil, although the enterprises demanded that it pay 11,300 rubles. Lithuania counted its kind of money, the Russian enterprises—their own kind. And J. Gaidar's government kept saying do it in the way we have agreed. Now the same government of J. Gaidar is already explaining: pay whatever the enterprises are asking.

Although we have managed to reduce our debt a bit, we will still have to pay. R. Tamosiunas asserted that Lithuania has suffered a considerable loss, because it had subsidized the food products that were delivered to Russia. We lost our money, we will have to pay the debts, and we do not have enough fuel. Such were the results of our tactical error—of having focused on Russia's government and not on the suppliers.

It is difficult to repair what has been destroyed. Our energy people are planning to travel to the same enterprises and to establish new contacts with the oilmen in the immediate future. The deputy minister of energy consoled himself in these words: “Of course, when you make a mess, your colleague from Tyumen or Kogalym will remind you: I told you already in 1990 and 1991—let us work together and let us establish joint enterprises, you will deliver your products to us and we will deliver ours.”

Now Lithuania's energy people have pangs of conscience because they had failed to convince a stubborn prime minister: we have neither any partners in Tyumen, nor any patrons in the government of Russia, nor any fuel.

Unemployment Statistics Show Only ‘Tip of Iceberg’

93UN0414A Vilnius EKHO LITVY in Russian
6 Nov 92 p 4

[Article by S. Vladimirov under the heading “Labor Market Journal”: “Tip of the Iceberg”]

[Text] According to figures from the Lithuanian Labor Exchange, during the first 10 months of this year a total of 11,232 persons registered as unemployed in this republic, of whom 7,305 were women and 3,755 were blue-collar

workers. Unemployment benefits were paid to 7,127 people, with R8.2 million [rubles] paid out in September alone.

The number of available jobs is decreasing rapidly: on 1 October labor exchanges listed only about 4,500, of which 2,600 were blue-collar jobs. In September jobs were found for 913 unemployed persons. The largest numbers of unemployed individuals are concentrated in the capital (4,064), Panevezys (647), Kaunas (601), Visaginas (392) and Klaipeda (335); the rayons with the most unemployed were Utenskiy (338) and Tauragskiy (303).

L. Perkumas, head of the Employment Division of the Lithuanian Ministry for Social Protection, noted that if we judge by the official figures, then the number of unemployed persons is not that large, not over 0.6 percent of the active population. But that is only the tip of the iceberg. There is a large layer of hidden unemployment. There are people who are still hanging on to production jobs but who are not fully employed, often employed fictitiously (in order to receive a salary equivalent to the minimum living standard). Employees are often sent on involuntary leave, or work in jobs not appropriate to their area of specialization or skills level. L. Perkumas feels that there are at least 60,000 people like that in the republic.

A particularly poor employment situation exists at major enterprises. Virtually no new jobs are being created in the state-owned sector. For example, in Alytus the city's 12 largest enterprises have informed the labor exchange that massive layoffs are impending. The largest number—approximately 600—are planned at a cotton combine.

With the arrival of fall the ranks of the unemployed were swelled by higher education and secondary school graduates. For example, this year in Kaunas 380 graduates of the technical university, 72 graduates of the medical academy, 38 from the veterinary academy, 32 from the art institute and 10 from the agricultural academy received so-called “free diplomas.” There are already over 150 college graduates in the city receiving unemployment benefits.

Expansion of the system of vocational training and retraining may be regarded as a positive tendency attesting to a more active policy in the republic. For instance, in Siauliai the local labor exchange has financed training for 42 handicapped persons in the sewing trade. And in Kaunas approximately 200 people have gone through job training and retraining, mainly in the building trades. The labor exchange there also follows the practice of providing temporary jobs, for which a special information bank has been created. Those jobs are a good source of support primarily for students, who have a hard time living on their stipends, and for that reason students are very eager to move furniture, take care of children or offer various services to earn some money.

This year the Lithuanian Labor Exchange has been visited by numerous foreign experts. It is typical that virtually all foreign specialists are highly critical of some of the principles contained in our Employment Law, saying that it is excessively “soft” and that the amount of benefits and the procedure for payment of them is more than even the wealthiest countries could afford.

Commenting on those comments, L. Perkumas told us that one time a stylishly-dressed young man who arrived in an expensive car burst into his office, outraged that his unemployment benefits had been cut off while he was off in Poland on business. At the Vilnius Labor Exchange there have already been repeated cases of some people taking advantage of the large number of cases and the informational disarray in an attempt to get more than one benefit payment. World Bank experts who have studied the situation in our labor market are of the opinion that there is a need for radical restructuring of the entire employment system in the republic, from its conceptual to its technical aspects, to bring it into line with the current credo of employment policy: jobs instead of benefits.

New Association Aims To Improve Conditions for Farmers

93UN0385A Vilnius TIESA in Lithuanian 7 Nov 92 p 3

[Interview with Jeronimas Kraujelis by Virgilijus Liauska, general director of the Lithuanian Association of Agricultural Companies: "Will the Companies be Able To Feed Lithuania?"]

[Text]

[Liauska] When was the Association established?

[Kraujelis] The Lithuanian Association of Agriculture Companies was established this year. Agricultural associations are specific creations, structures formed on a private capital basis. Therefore it was no more appropriate to coordinate their activity in the old way, when state structures used to decide everything...

[Liauska] How many such companies, members of the Association, are there in Lithuania? What are their specific problems?

[Kraujelis] Over three thousand agricultural associations have been registered now. There are over one hundred and fifty real members of the Association. About five hundred companies are backers of the Association.

[Liauska] I would like to make a brief comment about these numbers. We accept as members of the Association those companies that are stable and have a future. It is no secret that when the land reform was under way, some companies have emerged whose prospects are doubtful. For instance, it is not clear if the company will have land. And the goal of our Association is not only to represent the companies and to defend their interests, but also to find good partners for them. And so, let us say, we find a partner in the West that wants to create a joint company, and the company suddenly disintegrates... Therefore we are not trying to enlist many companies.

Recently we met with the representatives of the Farmers' Association and of the Chamber of Agriculture. We discussed what should be our position on the pricing of large-scale agricultural purchases. The situation of the companies will depend on them.

Therefore the farmers must coordinate their actions. If some of them will sell milk for 10 coupons and others for

17, then our food processing industry which is still monopolistic, may ruin a party of the farmers. Therefore we make no sharp distinctions between the members and non-members of the Association; if there are common problems, we start discussing them and searching for a new common denominator. Such is the specific character of our work—we do not have to wait what the government will decide in every case, we are moving toward free market relationships.

Another specific feature of the agricultural companies is their activity in accordance with the law on agricultural associations. This law outlines only the general principles of the activity. How, for instance, should the capital be managed? Last year, for example, a cow was valued at ca. 5 thousand rubles. Now you will not be able to buy a cow for less than 30 thousand coupons. In this case we again must set new prices ourselves, without any state interference, and re-evaluate our capital.

[Kraujelis] And what about accounting? There is a law on accounting. If we compute everything in minute detail, then the companies will have to maintain a huge apparatus and again, as in the times of socialism, more people will be sitting in offices than working in the fields. In a company based on private capital this is totally unacceptable. In this regard we are cooperating closely with the Ministry of Agriculture. A large part of the documentation that is a must for accounting will be ready by December, while we, the Association, will coordinate practical matters.

Also complicated are the questions of the legal regulation of labor relations...

I would like to say that recently the Government has needlessly interfered in some cases. One example is the procedure for disposing of shares. The governmental regulation says that people can sell their shares only at auctions. But what if someone has made an agreement with a neighbor and concluded a notarized transaction? Why must he send documents to the rayon center and wait until an auction is held there? It is not clear. If he has already received the 60 thousand, then let us allow him to dispose of this property as a real owner, as he understands it...

[Liauska] The Association is in favor of the rural population being allowed to live and to make a living legally... And what will city people, consumers gain from that? Will the companies feed Lithuania?

[Kraujelis] The companies and the farmers will really be able to feed Lithuania. I emphasize—both of them. Of course, the companies are now in a better situation: there are decent buildings, an infrastructure, technology. For instance, whatever we might do to privatize a cow-shed, it cannot be divided brick by brick... Therefore all this property should be used in the best possible way now, it should not be torn apart. And when the farmers will get back on their feet, the companies will have an easier time, too. Therefore, I repeat: both the companies and the farmers will feed Lithuania.

[Liauska] Thank you for the conversation.

Difficult Times for Agricultural Cooperatives

93UN0414B Vilnius EKHO LITVY in Russian
4 Nov 92 p 3

[Article by V. Kartjal: "And the Farmer Is the Loser"]

[Text] Many politicians and economists have begun saying that the agricultural cooperatives that have sprung up throughout Lithuania out of reformed kolkhozes and sovkhoses have no future. Is their prediction now becoming a reality?

A few days ago I had a chance to visit the once-prominent Jasiunai Kolkhoz in Salcininkai Rayon. Now there are four agricultural cooperatives there, the largest of which bears the same name the kolkhoz formerly did. It is broad-based, raising both crops and livestock, and has 1,050 hectares of tillable land (there were approximately 3,000 hectares on the former kolkhoz), a large pig farm, a fairly large milking herd, a machine shop, a large number of tractors and other farm equipment... It also has quite a few people, approximately 350 (true, only 130 work; the rest are retired). In short, there would seem to be enough workers and enough physical and technical resources to farm successfully. Yet the farm is failing. And last summer's drought is not the reason.

"Despite our difficulties, we got in a good crop this year," said Edmund Kazimirovich Vasilevskiy, the cooperative's chairman. "We harvested an average of 21 hundredweights of grain from each hectare and 93 hundredweights of potatoes; we sold a lot of that produce to the state and got paid a lot of money for it. Now we have around two-and-a-half million coupons in our account. But what good is it? The livestock are eating it all up. They are unprofitable, and under current conditions cannot be otherwise. Production of pork at the current state-supported procurement prices, coupled with the price of energy resources, feed, machinery, etc., results in a loss of 100 coupons per kilogram. Until recently we kept 4,000 pigs on our pig farm. That would have cost us so much every day! We had to sell the pigs off to a meat processing plant. We have about 400 head left, but soon we are going to sell those as well: we have nothing to feed them. So we are shutting down the pig farm. If the state would pay, say, 180 coupons for a kilogram of bacon instead of the current rate of 80 coupons we would keep at least a token herd just so we could produce more pigs quickly next year. But with procurement prices what they are now, we just cannot take that risk."

Incidentally, this is an odd situation, and it makes one think: when we go to the store to buy pork it does not cost 80 coupons, or even 180—we pay 240-250 coupons per kilogram! Where do those tremendous price increases come from? Very simple: a meat processing plant supplies market-ready meat to the retail trade network at an average of 200 coupons per kilogram, and store employees in turn raise the price to cover expenses and make a profit. Obviously the processing plant buys livestock from farmers on the hoof. Yet is the price of processing still not excessively high, even with rising costs? That question comes to mind when one considers the wages earned by meat processing plant workers. As of 1 October 1992 average pay was 9,000 coupons per worker per month. Yet the actual meat producer—the farmer—barely manages to

earn 1,500-2,000 coupons per month. So what we find is that the meat processing plant and the store, the middlemen—I think the term fits—are getting rich off the farmer and the consumer. Is that state of affairs fair? I think not. It does not provide an incentive for agricultural production, nor does it help stretch the public's buying power. It seems to me that this is something the government should consider.

But let us get back to the cooperatives. The same farm has also been forced to reduce the size of its milking herd, and for the same reason. Every liter of milk sold to the state goes for 9-10 coupons, while it costs at least 15 coupons to produce. What producer can afford to do that? Basically the only reason the farm still has 200 cows is to produce organic fertilizer, without which the land would become thoroughly impoverished.

Now about a few of the effects of production cutbacks. Naturally the first effect is that this creates "superfluous" people. Now the farm could be run with half of its present 130 workers. Equipment is idled: eight tractors have been mothballed, including three powerful T-150s, as well as several trucks, and some production-related buildings have been closed up. But people have to live somehow. Every day they come to the administration asking for work. The administration has to refuse, or sometimes it will send two or three people out to do a job that could easily be done by one. Hence the low wages and rural residents' dissatisfaction with their lives.

"We could go through the two million coupons we have in the bank in three or four months, and then what?" someone at the cooperative's accounting office said. "Because we are selling virtually nothing."

But does there have to be a way out of this pit? Might it be better for each to work the land alone and run his own farm? Especially since many members of the cooperative have a right to land and a share of the cooperative's property. But... people do not want to take either the land or the property. Too much trouble—there are shortages of one thing after the other, and everything is getting too expensive to buy, with prices continuing to rise. Since the start of the land reform only 15 people from Jasiunai have taken their shares and left, now farming over 400 hectares. The majority of them are barely making ends meet. Some are already asking to rejoin the cooperative. Like farmer Tomashevskiy, for example. He took 16 hectares of land could do almost nothing with it; he put virtually all of it in hay. With difficulty he sowed two hectares of barley, but then had nothing to harvest it with. He asked the cooperative for help and they did help him out, thank God. But over 1.5 hectares of potatoes stayed in the ground, under the snow. As the farmer toiled he began to think about rejoining the society.

"I only see one option," says E. Vasilevskiy, "and that is to divide up into five or six small, independent cooperatives, the members of which would be people with capital that has already been privatized, i.e. property owners. We are moving in that direction, saving our remaining livestock, farm buildings, equipment and other property for privatization. Separation into several cooperatives (it would be more correct to call them owners' partnerships) will make it possible, in my opinion, to have more focused production specialization, organize production better and make more efficient use of our facilities and our work force."

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